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**“A STUDY OF CORPORATE GOVERNANCE PRACTICES OF
CORPORATE SECTOR IN INDIA”**

A THESIS

:: SUBMITTED TO ::

**THE SAURASHTRA UNIVERSITY
FOR THE AWARD OF THE DEGREE OF**

**DOCTOR OF PHILOSOPHY
IN COMMERCE
UNDER THE FACULTY OF COMMERCE**

BY

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GUJARAT (INDIA)

MAY – 2005

CERTIFICATE BY THE GUIDE

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CANDIDATE'S STATEMENT

I, the undersigned **Ms. Mitaben B. Vora**, a Research student of Doctor of Philosophy, Department of Commerce and Business Administration Saurashtra University, hereby declare that the research work embodied in this thesis is the outcome of my own endeavor and it was supervised by Dr. (Mrs.) D.C.Gohil, Associate Professor Department of Commerce, Saurashtra University, Rajkot.

I further declare that this thesis not in any form has been submitted to any other institution of higher learning for the award of any degree or diploma.

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PREFACE

Dynamic environment has put forth many challenges for today's human being; even a common person wants to prove him or herself with the greatest efficiency in present era.

Competition is multiplying every day and that has given birth to number of good or bad aspects. Some want to survive in Cutthroat competition by applying unethical practices, while some wants to enjoy healthy competition through ethical and transparent activities. The reaction of both the aspects are obviously, represent in their action positive for the positive action and negative for negative actions.

Good governance is the expectations of every stakeholder, specially, shareholder. Governance is related with the controlling of the activity and controlling of the corporate sector can be termed as corporate governance.

But the implementation of 'Corporate Governance' is not that much simple as its meaning. It is very wide subject and it includes lot of discussion.

No doubt corporate governance is recently emerged concept and has taken the attention of each and every country, investors and corporate executives.

Corporate governance is the practice, which requires transparency, accountability and good performance from the corporate executives. It has, its strong base from the internal management of company, to the shareholders' value as well as corporate social responsibility.

Reasons for selecting corporate level units which are functioning in India is to find out whether corporate governance is actually being practiced by the corporate level executives or not.

Researcher has therefore selected five groups for research and each group includes 10 companies. For the study of sample researcher has used secondary data and for that Annual Reports of 50 companies are gathered and analysed. Researcher has collected the data from the annual reports of the year 2002-2003. The collected data are then classified and segmented into four groups (1) Disclosure of corporate governance with reference to Board and Management Structure (2) Disclosure of corporate governance with reference to Transparency and disclosure (3) Disclosure of corporate governance with reference to state holders claim satisfaction and (4) Disclosure of Corporate governance with reference to corporate social responsibility.

Researcher through corporate governance index to find out which disclosure is efficiently disclosed, which disclosure is moderately disclosed and which disclosure is least disclosed then evaluates all these four groups.

On the basis of F test, 50 companies are then classified into group A – Highly efficient companies group B – Moderate efficient companies and group C – Least efficient companies.

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How can I express my sincere and informal thanks to my guide, really there is no word or there are no words than to say heartily “Thanks” to my guide Dr. (Mrs.) Daxaben Gohil, Associate Professor, Department of commerce and Business Administration, Saurashtra University, Rajkot. I have really no meaning of subject without her continuous, valuable and strong conceptual base guidance. No doubt it was my dream to reach to this level but there was only hope, she is the only person who has shown me real path and ladder to reach to the level of this kind and generated learning desire in me. Her ability to motivate me and make me understand about such difficult and current topic has triggered my desire of undertaking research. I am really thankful for her guidance.

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List of Abbreviations

Govt.	:	Government
FDI	:	Foreign Direct Investors
FII	:	Foreign Institutional Investor
CG	:	Corporate governance
HLL	:	Hindustan Liver Limited
NM	:	Not Mentioned
N.W.	:	Net worth
CII	:	Confederation of Indian Industry
TQM	:	Total Quality Management
ISO	:	International Standard Organisation
SWOT	:	Strength, weakness, Opportunity, Threats
Ent	:	Enterprise
BSE	:	Bombay Stock Exchange
NSE	:	National Stock Exchange
FSE	:	Foreign Stock Exchange
CSE	:	Cullcuata Stock Exchange
GS	:	Glaxo Smith Kline
KVB	:	Karur Vysya Bank
RC	:	Reliance Capital
GTB	:	Global Trust Bank
BOM	:	Bank of Maharashtra
AB	:	Allhabad Bank
KMB	:	Kotak Mahindra Bank
TKB	:	The Karnataka Bank
CB	:	Corporation Bank

CHAPTER - 1

OVERVIEW OF CORPORATE GOVERNANCE

“Changing economic scenario of Indian industries “is not a new phrase. Especially post independent regulations of Indian economy has led India towards developing country.

Post independence phase was relatively slow growth boosting phase. This was due to excessive regulations put forth by government in form of license system, investment barrier through MRTP Act, excessive reservation and dead investment in small scale and medium scale projects, entry barriers in form of public sector reservation, export import barriers for domestic and foreign companies. These factors had reduced the growth of Indian industrial units.

Announcement of the new industrial policy in the year 1991 has permitted new entrepreneurs to race to the top of market capitalization through economic liberalization, competitiveness, globalization and privatization.

The dominant characteristic of today’s top 50 companies is preponderance of first generation enterprise of professionally run business. In 1991, 22 out of the top 50 companies were controlled by family groups that held their sway during the license – control regime, By February 2000, the role were reversed; 35 were professionally managed, of which 14 were first generation business; only 4 out of the 50 were run by older business families. This change has argued well for corporate governance. *

The growth of economy is also in account of foreign direct investors in the union ministry to budget of year 2002-2003 the proposals have been forwarded to the group of minister on FDI. The group of minister, headed by

Finance minister Jaswant Singh, will also consider proposals to raise the foreign equity ceiling in basic telecom and mobile services from 49% to 74%, 100% Equity in petroleum product marketing and in advertising.* This will make corporate sector to be perfect if they need foreign company to invest in their business. As every investor prefer to invest in that company only, which is more transparent in operation.

The banking sector reforms and capital market uncertainties have led many investors to think for investing in corporate sector with rational process.

MEANING OF THE TERM GOVERNANCE: -

“Governance” – according to dictionary is governing or to rule.

This meaning has been understood in common parlance. Let's, take the meaning from broader aspect.

Governance is to control. Govern means direct and control and one can derive meaning as direction and control of affairs as governance.

MEANING OF CORPORATE GOVERNANCE: -

Separation of management and ownership will depended for responsible management philosophies attract long-term, stable, low-cost investment in capital. This is true whether the firm is publicly traded, privately held, family-controlled or state-owned. It is only when the managers of a firm themselves own the entire firm – and are committed to relying solely on their own capital – those managers generally are free to apply corporate assets (as their own private property) inefficiently or for non-productive uses. The fundamental concern of corporate governance is to

ensure the means by which a firm's managers are held accountable to capital providers for the use of assets.

The responsibilities and functions of the corporate board in both developed and developing nations are receiving greater attention as a result of the increasing recognition that a firm's corporate governance affects both its economic performance and its ability to access patient, low-cost capital. After all, the board of directors – or, in two-tier systems, the supervisory board – is the corporate organ designed to hold managers accountable to capital providers for the use of firm's assets. The past five years has witnessed a proliferation of corporate governance guidelines and codes of “best practice” designed to improve the ability of corporate directors to hold management accountable. This global movement to emphasize that boards have responsibilities separate and apart from management – and to describe the practices that best enable directors to carry out these responsibilities – is a manifestation of the importance now attributed to corporate governance generally and, more particularly, to the role of the board. *

Corporate governance has succeeded in attracting a good deal of public interest because of its apparent importance for the economic health of corporations and society in general.. As a result different people have come up with different definitions that basically reflect their special interest in the field. It is hard to see that this disorder will be any different in the future so the best way to define the concept is perhaps to list a few of the different-definitions rather than just mentioning one definition.

DEFINITIONS OF CORPORATE GOVERNANCE :-

- (1) “Corporate governance is a field in economics that investigates how to secure/ motivate efficient management of corporations by the use of incentive mechanisms such as contracts organizational design and legislation. This is often limited to the question of improving financial performance, for example, how the corporate owner can secure / motivate that the corporate managers will deliver a competitive rate of return.”*

Here corporate governance is defined as a frame of legislations, rules & regulations through which company can improve its financial performance in a more clear way. It is considered as a branch of economics that deals with science of laws & rules & regulations, which is more concerned with improving financial performance of enterprise.

- (2) According to the journal of finance, shleifer & vishny

“Corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting return on their investment.”*

Each corporation obtains its funds from different class of the investors. When they obtain that, it becomes their prime responsibility to see that the funds are used & using in proper direction. The investors are also even need assurance for such matter. Corporate governance is a way to inform them that the funds are not being wasted & going in productive way.

- (3) “Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights & responsibilities among different participants in the corporation, such as, the board, managers, shareholders, and other stakeholder and spells out the rules and

procedure for making decisions on corporate affairs. By doing this it also provides the structure through which the company's objectives are set and the means of attaining those objectives and monitoring performance.”*

Here corporate governance has been clearly defined. It clarifies rights & responsibilities of every person who is responsible for the management of company. Like B.O.D., manager etc. It has specified the boundaries of working also. It suggests rules regulations to them for the protection of different classes of stakeholders.

- (4) “Corporate governance, which can be defined narrowly as the relationship of a company to its share holders, or more broadly as its relationship to society.” *

Corporate governance, mainly or primarily concentrates on well being of shareholders. It shows that whether funds of shareholders are used in proper direction or not while observing such thing it indirectly helps society that its resources are not being wasted. Thus broadly it helps society.

- (5) “Corporate governance is about promoting corporate fairness, transparency and accountability.” *

– By J. Wolfenshon – President of the word Bank. – 1999.

When company follows corporate governance in practice in a way it becomes transparent in every single matter related to co.’s transactions, it has to be very honest while publishing financial information, firm has to follow guidelines specified by various institutions and bodies. Thus any matter, which involves affairs with of company, has to be clear so that it can be repressed with clarity. Actually company is accountable or answerable to its shareholders for any consequence and that is few when it has to adopt for transparent business.

(6) “Corporate governance is defined as the relationship between owners & managers in directing and controlling companies as a separate legal entity, in perpetuity. Their relationship is enough in modern corporations where ownership & control are separated.” *

(7) According to L.V.V. Iyer, *

“Corporate governance can be defined as a set of system and processes which ensure that a company is managed in the best interests of all the stake holders. The set of systems that help the task of corporate governance should include certain structural and organizational aspect; the process that helps corporate governance will embrace how things are done within such structure and organizational systems.”

(8) According to Dr. Narang *

“Corporate governance is a broad and somewhat vague term used to refer to a range of corporate controls and accountability mechanisms designed to meet the aims of corporate stock holders. Corporate governance has also been defined to cover the concepts, theories, & practices of board and its directors and the relationship between board and the shareholders. The corporate governance, as generally understood, is the process of direction supervision and accountability of corporation.”

As per this definition corporate governance means clear cut idea and concept on the basis of which directors are supposed to act. It is set of principles rules, ethics, idea and direction, which guides the work accordingly.

(9) According to Dr. K. R. Chandratre*

“Corporate governance is the expression which is not capable of precisely defined. However broadly speaking corporate governance denotes directions and control of the affairs of a company.”

(10) “The role of corporate governance is to ensure that the directors of a company are subject to their duties, obligations and responsibilities, to act in the best interest of their company, to give direction and to remain accountable to their shareholders and other beneficiaries for their action.” *

It shows that company though is running for certain objectives but the pre condition for its survival is to look after better to the shareholders as well as other interested parties who are in turn will get benefit from such act. Thus board of directors are responsible for the affairs of the company and management but at the same time they should not forget their prime accountability to company’s shareholders who have actually invested their funds.

(11) According to A. Padmanabha.

“Corporate governance means a set of core principles (whether declared or not) followed by a corporate entity emerging from its human values as reflected in its performance*

Company is in existence not because it is entity to do business but it is there to do the best performance and for the development of shareholders wealth. The firm should not forget that.

(12) “Corporate governance has been defined as, “a system of structuring, operating, and controlling a company with specific aims of fulfilling the long term strategic goals of the owners; consider and care for the interest of employees, past and present, the needs of the environment

and local community; maintain excellent relations with both customers & suppliers; maintain proper compliance with all the applicable legal & regulatory requirements.” *

Organization runs with the help of employees, it has to take care of that factor very seriously. It has to maintain good relationship with the other parties also. Relationship means the parties who have interests in company's management must be protected & cared so that they will stay for long time. Any organization or company actually result of joint efforts and that's why, while applying corporate governance in practice they should see the long-term survival purpose of organization. So company should also decide in advance about the future goal and prospective while performing task & operating the operations of company should also follow govt. norms, rules and regulations. When legally everything goes well then & then company is in position to satisfy all the related parties.

- (13) “Corporate governance is not just Corporate Management, it is something much broader to include a fair efficient and transparent administration to meet certain well-defined objectives. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, mediators employees, customers and suppliers and complying with legal and regulating requirements, apart, from meeting environmental and local community needs, to when it is practiced under well laid out system it leads to the building of legal commercial and institutional framework, and demonstrate the boundaries within which these functions are performed.” *

- (14) According to the Cadbury Committee Report “Corporate governance is the system by which companies are directed and controlled and of directors are responsible for the governance of their companies. The Shareholders role in governance is to appoint the directors & the auditors, and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting the company’s strategic aim, providing the leadership to pull them into effect, supervising the management of business and reporting to shareholders on their stewardship. The Board’s actions are subject to law, regulations and the shareholders approval at the general meeting.” *

‘Corporate Governance’ is the current buzzword in India as well as the world over. It is practicing at every stage of company affairs now days. Good governance is the expectations of shareholders in every walk of life. These expectations are considered as rights in corporate world. In India, though this word is new but fast growing. The good governance gives stress on two aspects, mainly (1) Performance & (2) Accountability. ‘Performance’ in a sense & company on corporate leaders are supposed to contribute at the highest level of efficiency. This efficiency is expected but at the same time they are accountable for whatever has been carried out, every shareholder has right to know that what is wrong & what is right. Though corporate governance is totally new word for the corporate world but its acceptability is very high. Now days it is working in the every stage of company. Each corporate unit is expected to achieve maximum in given time period and unit is expected to use available resources optimum so that it can achieve goal efficiently.

‘Accountability’ means obligation to answer. Each corporate manager, leader & department is answerable & responsible to answer to the stakeholders. Answerable in a sense what is the company’s performance, when it is moving? Where the resources are invested? Etc. This is because good governance demands greater accountability.

Researcher has found that “firms with stronger share holders rights had higher firm value, higher profits, higher sales growth, lower capital expenditure and fewer corporate acquisitions. Researcher has found that investors can earn maximum by purchasing strong democratic rights than those who have weak rights.

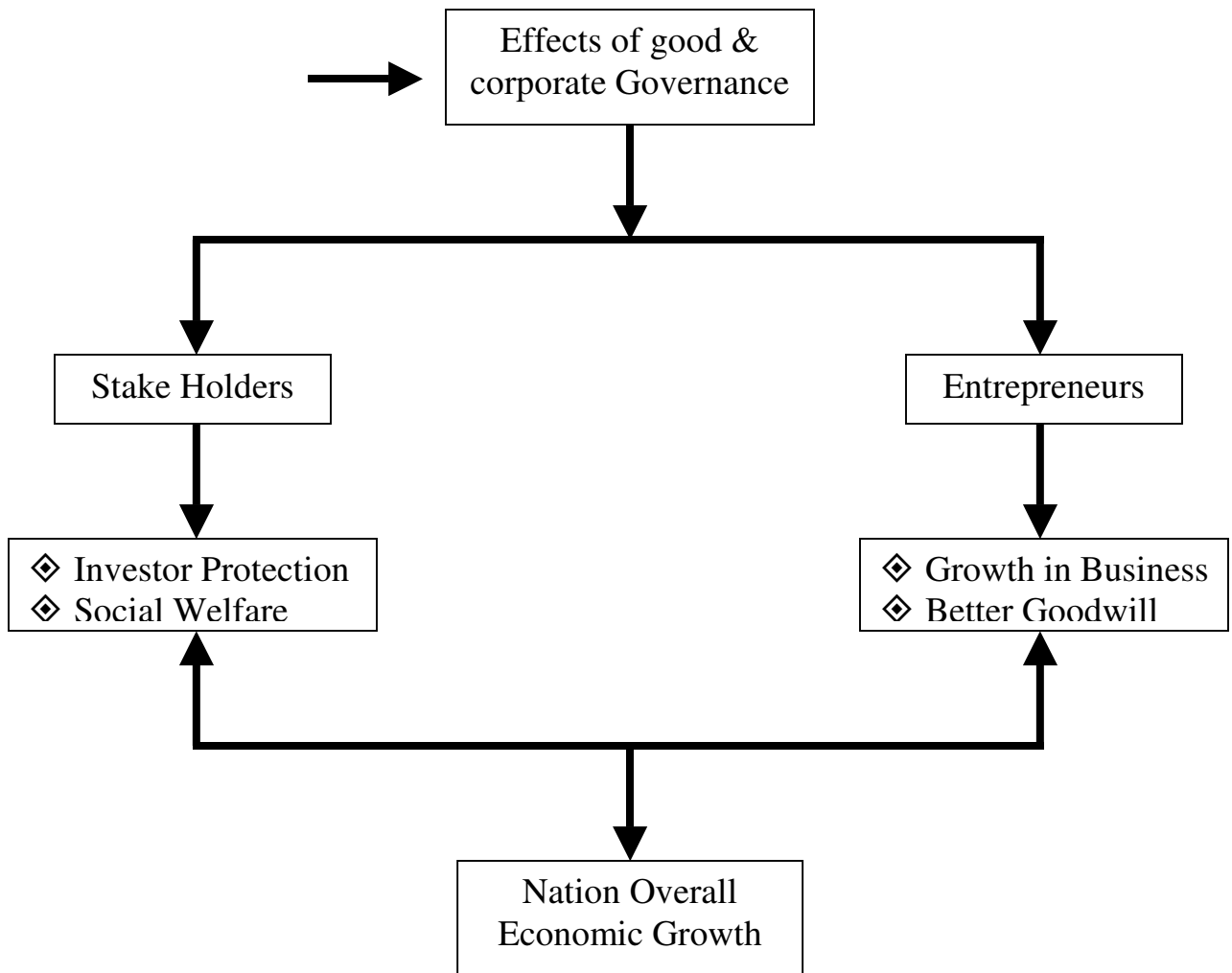
The movement to more democratic forms of corporate governance by empowering owners is important not only for creating wealth as it cuts directly to own ability to maintain free society.

The keys to meet wealth and maintaining free society lay primarily the same direction. Both require that broad based systems of accountability to be built into the governance structures of corporations themselves.

Analytical argument and empirical research demonstrate the value of shifting from oligarchic corporate structure, where CEOs, set the agenda and are paid 500 times the wages of their average employees towards those which establish systems of accountability and encourage long term participation by concerned shareholders and employees in corporate decision making. The corporations that embrace such a dialogue should be better equipped to create wealth, compete in global market and solve the highly complex problems of the third millennium.

NEED FOR GOOD GOVERNANCE

“Governance” means that to rule or to command. But without basic reasons this is worthless. A question may be raised in one’s mind that why there is a need for governance.



Good governance is important whether it is corporate environment or general society or political environment. Good governance level can improve public faith confidence in political environment.

When the resources are too limited to meet the minimum expectations of the people, it is the good governance level that can help to promote

welfare of the society. The way forward to achieve the desired level in Indian scenario is to promote the social thinking in positive perspective along with the perfect monitoring mechanism of regulation frame work. Now question may arise that what can be good governance?

Following are the measures, which can be considered as measures or requirement for good governance.

(1) Setting Internal Control System: -

By setting internal control company can ensure efficient conduct of business control leads to consciousness, which makes less possible chances of default.

(2) Budgetary Control: -

When any transaction has been put under budgetary boundaries it leads to ensure accountability and transparency. Budget gives answers to many questions, what had done? Why? And through which way? Thus it is base for planning and tool for control.

(3) Financial Planning & Management: -

Scarcity of finance leads for crucial and critical management of financial resources, which requires in depth financial planning. Financial planning is concerned with rational acquisition and allotment of funds while financial management is concerned with optimum utilization of funds.

(4) COMPLIANCE OF ACTS / REGULATIONS: -

Best governance is governance that follows norms. Every firm should / must follow all the related acts which are related with company's transactions. Acts includes standardization and norms that protects goodwill and resources.

(5) Tax Planning: -

One or every firm has to plan in advance about all items of tax and how to pay it? They have to concentrate that how company will go for paying tax so that as far as possible it can take benefits. If tax is not paid in advance it leads to devaluation. Tax planning generates more shareholders' return.

(6) Management Information System: -

Information is blood of business world. Company has to be in constant touch with environment through information. Management information system is channel of inter related variables which has exact cause and effect relationship. It provides base for communication. Company can maintain good governance through MIS. It can improve performance which is base for C.G.

(7) Cost Control: -

Cost is major aspect in profit. If cost is controlled it can stabilize or improve company's competitiveness. Every company needs to maintain its competitive value by controlling its cost. Cost control is best tool for good governance.

Above mentioned tools can be considered as good governance practices.

Corporate Governance History

Knowledge of the past can help to prevent firms and policy makers from repeating past mistakes. History is also like examples of how to do things right.

Corporate governance in Britain and the United States in the seventeenth, eighteenth and nineteenth centuries was far from perfect, yet it was also far from being completely flawed. Anglo American corporate governance, therefore, offers both warning and lessons. In the eighteenth and nineteenth centuries, Americans and Britain's looked ask once at most forms of government regulation of business.

In 1889, for instance, a railroad investor argued that while government regulation sounds well it was not a good idea to give power over private businesses to "bare majority of unexpected and unconscientiously politicians." The influence of John Locke was still strong in the late nineteenth century, prompting many to question on the efficacy of government and legislation is not to confiscate, but to protect property.

Nineteenth century investment gurus regularly enrolled the importance of good corporate governance. For example, Robert Word, in his 1865 notes on joint stock companies described the characteristics of a good investment. The issuing company, he argued, should have "a good scheme, brought before the public at a seasonable time enough capital and it must be managed well." Robert urged investors not to be filled into complacency due to the size or previous success of a company.

The international community has all along been supportive of good governance practices as evident from various guidelines standards and codes issued by various international agencies.

Corporate governance is not a new invention but was inherent characteristic of all healthy organizations even in the past.

The prominence of the concept began with Cadbury committee report after facing financial crisis due to business failures in UK. The Recommendations of Cadbury Committee in 1992.

Cadbury Committee's Code of Best Practice

Corporate governance practices and concept has been recently raised due to growing level of fall outs in corporate sector leading to severe injury, not only to stake holder but to the whole economy.

The prominence of the concept begun with Cadbury committee in 1992 in U. K.

◆ CODES: -

(1) Board of Directors: -

- The Board should meet regularly, retain full and effective control over the company and monitor the executive management.
- There should be clearly accepted division of responsibilities, which will ensure balance of power and authority.
- The board should include non-executive directors of sufficient caliber and number for their view to carry significant weight in the board's decisions.
- The board should have formal schedule of matters specifically represented to it for decision to ensure that the direction and control of the company is firmly in its hands.
- There should be agreed procedure for directors to take independent professional advice, if necessary at Co.'s expense.

- All directors should have access to the advice and services of the company secretary, who is responsible to the board for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Any question of the removal of the company secretary should be a matter for the board as a whole.

(2) Non Executive Directors: -

- Non-executive directors should bring an independent judgment to be an issue of strategy performance resources, including key appointments and standards of conduct.
- The majority should be independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment, apart from their fees, and shareholding fees should be as per time spent in company.
- Non-executive directors should be selected through a formal process and both this process and then appointment should be a matter for the board as a whole.

Executive Directors: -

- Director's service contracts should not exceed three years without shareholders' approval.
- There should be full and clear decisions of directors' total remuneration and those of the chairman and highest paid director.
- Executive directors' pay should be subject to the recommendations of a remuneration committee made up of wholly or mainly of non executive directors.

(3) Reporting and Control: -

- It is board's duty to present a balanced and understandable assessment of the company's position.
- The board should ensure that an objective of professional relationship is maintained with the auditors.
- The board should establish an audit committee of at least 3 non-executive directors with written terms of reference, which deal clearly with its authority & duties.
- The directors should explain their responsibility for preparing the accounts next to a statement by the auditors about their reporting responsibilities.
- The directors should report on the effectiveness of the Co.'s system of internal control.

The green bury Committee in 1995, have been assumed into a combined code owing its genesis to the Hamper Committee and became the past of London stock exchange guidelines. While the emphasis in the Cadbury Committee report was on Audit Committee, Remuneration Committee, Director's Training, Standards of conduct, Executive Directors on the board, Financial Reporting, Pension Governance etc., the Green bury Committee recommendations, among others also include interim reporting, Director's responsibility statement, compliance certification, voting by institutional investors etc. Most of the provisions owe their relationship with one or the other accounting functions. The position under various studies made in India was also not much different than what was in UK, irrespective of the fact that the conditions prevailing in India were much different than

those in UK, particularly in the context of capital market, share holding patterns etc.

In India, separate codes for corporate Governance were issued by the trade and industry associations some where in 1997 and committee constituted by the SEBI in the year 1999.

The recommendations as made and industry association included the recommendations for management and supervisory categories of board, consolidations accounts, limited directorship to increase accountability and efficiency etc. The SEBI code in fact was later on given a legal shape by inclusion of clause 49 of the listing agreement. The other measures taken by the SEBI include guidelines for investor's protection, introduction of takeover code, recommendations for amendments in security laws etc. Thus ultimately, the via media adopted for implementation of C. G. is through enforcing new provisions in various laws. In fact if professionals increase their supposed role then C.G. level would automatically increase.

In present scenario in spite of lot of measures taken in C.G. public confidence is still lacking.

The concentration therefore may also be on:

- (a) Approximate policy framework.
- (b) Investor's education.
- (c) Entrepreneurial education.
- (d) Effective monitoring.

Corporate Governance in India

In India the norms of corporate governance were introduced by different committees which are as under,

- (1) Rahul Bajaj committee report
- (2) Recommendations of Kumar Mangalam Committee Report.
- (3) Naresh Chandra Committee Report.

(1) Rahul Bajaj Committee Report on Corporate Governance :

Since the second half of the 19th century, most modern industries and services in India have been structured under the English common law framework of joint-stock limited liability. Despite this long corporate history, the phrase “corporate governance” remained unknown until 1993. It came to the force due to a spate of corporate scandals that occurred during the first flush of economic liberalization.

The first was a major securities scam that was uncovered in April 1992, which involved a large number of banks, and resulted in the stock market nose-diving for the first time since the advent of reforms in 1991. The second was a sudden growth of cases where multinational companies started consolidating their ownership by issuing preferential equity allotments to their controlling group at steep discounts to their market price. The third scandal involved disappearing companies of 1993-94. Between July 1993 and September 1994, the stock index shot up by 120%. During this boom, hundreds of obscure companies made public issues at large share premium, buttressed by sales pitch of obscure investment banks and misleading prospectuses. The management of most of these companies siphoned off the funds, and a vast number of small investors were saddled with illiquid stocks of dud companies. This shattered investor confidence,

and resulted in the virtual destruction of the primary market for the next six years.

Today, more and more listed companies have begun to realize the need for transparency and good governance to attract foreign as well as domestic capital.

Structure of the Corporate India – A Description

Before describing India's corporate sector at the end of the 20th century, it is useful to emphasize the great churning that has been unleashed by less than a decade of economy liberalization. Nothing highlights these more than two simple comparisons – the fall from grace of yesterday's corporate giants, and the rise of the new kinds on the block.

Consider the top 100 companies ranked according to market capitalization as on 1 April 1991. How have these been treated by the market nine years after liberalization? Very poorly, as the following statistics indicate:

- Between *ranks* of the top 10 companies on 1 April 1991 fell by an average of 28 points as on 28 February 2000.
- The rank of the top 25 companies fell by an average of 47 points.
- For the top 100, the average fall in rank was 77 points.

Simply put, in relative terms, yesterday's giants have been dwarfed by the forces of change.¹² What about the new kings of the bourse.? When did these firms come into being? That data is even more revealing, and shows how economic liberalization, competitiveness and dismantling of controls have reduced entry barriers, and permitted new entrepreneurs to race to the top of the market capitalization table.

AGENCY COST:

It will take considerably more research before anyone can definitely apportion agency cost effects between efficiency and expropriation for the Asian corporations. However, the point to recognize is that poor corporate governance is not only about destroying share-holder value through managerial inefficiency arising out of the disjunction between share ownership and corporate control. Efficiently run firms that consistently outperform the market and earn returns that exceed the opportunity cost of capital can have poor corporate governance. And this can manifest itself in a steady expropriation of minority shareholder rights. Indeed, the attitude of minority shareholders in most parts of Asian has facilitated this process. For most part, they have questioned corporate policies of their companies, and felt satisfied by their dividends and capital appreciation.

Until the mid-1990s, India had the worst of both types of agency costs. Dysfunctional economic and trade policies combined with low equity ownership to allow companies to thrive in uncompetitive ways – which began to have their denouement when the economy started opening up to international competition. There was a major erosion of corporate value, measured in terms of economic value added (EVA), which is difference between the return on capital employed and the opportunity cost of capital. A CII study shows that, during the four-year period between 1995 and 1998, the top 363 listed Indian companies ranked by sales lost EVA to the tune of Rs. 564 billion (\$13 billion), which amounted to almost 6% of the aggregate value of sales.

Quality and Quantity of Disclosure

This section deals with financial and non-financial disclosure mandated by law, and their strengths and weaknesses. All companies have to prepare statutorily audited annual accounts which are first submitted to the board of approval, then sent to all shareholders, and finally lodged with the Registrar of Companies. Listed companies have three other requirements. First, the annual accounts have to submit to every stock exchange where the companies are listed. Second, they have to prepare abridged unaudited financial summaries for every quarter. Third, in an addition to all the disclosure requirements mandated under the Companies Act for public limited companies, listed firms have to submit a cash flow statement.

In theory, the most substantive financial disclosures of companies are to be found in their annual reports – particularly the balance sheet, profit and loss account and their relevant schedules. All these sheets have to give the data for the current and the previous financial year. The gist of such disclosures and their critique is discussed here.

Balance Sheet

SOURCES OF FUNDS

Capital. This gives the share capital of the company, backed up by a schedule that gives details of the number of equity shares authorized, issued and paid-up. Taken together, these are sufficiently transparent.

Reserves and surplus. : The summarized version is supported by a detailed schedule that classifies the reserves under various heads. The mandated items are (i) capital reserve, (ii) share premium reserve, (iii) debenture redemption reserve (iv) investment allowance reserve, (v) general reserves less the debit balance in the profit and loss account, and (vi) the surplus i.e.

balance in profit and loss account after providing for dividends, bonus or reserves. Again, this is up to international standards.

Secured loans. : The accompanying schedule gives full line-by-line disclosure of debentures. The data on loans and advances from term lending institution and banks is also quite detailed, and includes the description and extent of charge on each loan, with separate disclosure on foreign currency loans. In some cases, the problems lie with loans and advance from subsidiaries. Unfortunately, India accounting standards do not follow the principles of consolidation. As a result, companies can, and do, under- or overstate such transactions for strategic purposes.

Unsecured loans. : Although the listing of fixed assets in the schedule is quite exhaustive, it suffers from two types of problems. First, gross block is valued at historical cost. A more realistic approach will be to value all the elements at either market prices or replacement cost. Second, the depreciation schedule used in annual accounts has no bearing with that which is permitted for computing the corporate income tax liability. This is a historical anomaly, which could be rectified by allowing for deferred tax liability.

Investments: These are split between long and short term, with the latter covering a period of a year or less. Investments in quoted securities have to be marked to market, while those in unquoted instruments are evaluated at cost. While the disclosure look right on paper, this is the area of maximum disclosure.

Disclosures about directors

The Companies Act is fairly exhaustive in its requirements about disclosing details of directors, senior management, and selling agents. Registers are required to maintained that disclose material transactions of directors *vis-*

avis the company, and whether they are related to each other. Annual reports of companies have to furnish details about the remuneration to the directors as a whole, including salaries, commissions, and directors' fees. However, many of these disclosure are not detailed enough – for example that of directors' remuneration is given in the aggregate. Many others are made only at the time of appointment, and are not required on an annual basis. And other still, while technically in the public domain, are not made fully public in the sense of being disclosed in the annual report. The CII code has suggested major changes, and companies that abide by the code now make such disclosures in their annual reports

Related party transactions and other disclosures

As mentioned, perhaps the greatest drawback of financial disclosures in India is the absence of detailed reporting on related party transactions. At the level of the balance sheet, there is no requirement to report that investments and loans made by the corporation are to subsidiaries and associated companies. And while the Companies Act insists upon maintaining registers on sole selling agents and the company's business relationships with the directors, no such disclosure is separately made in the annual report. In this context, the Working Group on this Companies Act made, certain important recommendations, which are listed below.

- Comprehensive report on the relatives of directors - either as employees or board members - should be a part of the Directors' Report of all public limited companies.
- The fact a company has to maintain a register, which discloses interests of directors in any contract or arrangement, and that it is open for inspection by any shareholder should be explicitly stated in the notice of the AGM of all public limited companies.

- Details of loans to directors should be disclosed as an annex to the Directors' Report in addition to being a part of the schedules of the financial statements. Moreover, such loans should be available only to executive directors.
- A tabular form containing details of each director's remuneration and commission should form a part of the Directors' Report, in addition to the usual practice of having it as a note to the profit and loss account.
- All listed public limited company must give segment information as a part of the Directors' Report in the Annual Report. This should encompass (i) the share in total turnover, (ii) review of operations during the year in question, (iii) market conditions, and (iv) future prospects. In the first instance, the cut-off was recommended at 10% of total turnover. The practice of segment reporting is rare.
- If a company has raised fund; from the public by issuing shares, debentures or other securities, it must give a separate statement showing the end-use of such funds, namely: how much was raised versus the stated and actual project cost; how much has been utilized in the project up to the end of the financial year; and how the residual funds are invested. This disclosure should be in the balance sheet, as a separate note forming a part of accounts.
- In addition to the present level of disclosure on foreign exchange earnings and outflow, there should also be a note containing separate data on of foreign currency transactions that are germane in today's context: (i) foreign holding in the share capital of the company, and (ii) loans, debentures, or other securities raised by the company in foreign exchange.

- Differences in assets and liabilities between the end of the financial year and the date on which the board approves the balance sheet and profit and loss account must not be limited only to the Directors' Report. These should be clearly stated under the relevant sub-heads, and presented as a note forming a part of the accounts.

Insider trading

Clause (g) of sub-section (2) of section 11 of the SEBI Act, 1992, clearly states that one of the functions of the capital market regulator is “prohibiting insider trading in securities”. The law also defines insider trading quite explicitly:

“Insider trading takes place when insiders or other persons who, by virtue of their position in office or otherwise, have access to unpublished price sensitive information relating to the affairs of a company and deal in the securities of such company or cause the trading of securities while in possession of such information or communicate such information to other who use it in connection with the purchase or sale of securities.

Winds of Change – Recent Corporate Governance Initiatives

There have been two major corporate governance initiatives launched in India since the mid 1990s. The first has been by the Confederation of Indian Industry (CII), which is India's largest industry and business association. The second is by the SEBI.

The CII Code

More than a year before the onset of the Asian crisis, CII set up a committee to examine corporate governance issues, and recommend a voluntary code of best practices. The committee was driven by the conviction that good corporate governance was essential for Indian companies to access domestic

as well as global capital at competitive rates. The first draft of the code was prepared by April 1997, and the final document (*Desirable Corporate Governance: A Code*), was publicly released in April 1998.

Desirable Disclosure

“Listed companies should give data on high and low monthly averages of share prices in a major stock exchange where the company is listed; greater detail on business segments, up to 10% of turnover, giving share in sales revenue, review of operations, analysis of markets and future prospects.” Major Indian stock exchanges should gradually insist upon a corporate governance compliance certificate, signed by the CEO and the CFO.” If any company goes to more than one credit rating agency, then it must divulge in the prospectus and issue document the rating of all the agencies that did such an exercise. These must be given in a tabular format that shows where the company stands relative to higher and lower ranking.”

“Companies that default on fixed deposits should not be permitted to accept further deposits and make inter-corporate loans or investments or declare dividends until the default is made good.”

The CII code is voluntary. Since 1998, CII has been trying induce companies to disclose much greater information about their boards. Consequently, annual reports of companies that abide by the code contain a chapter on corporate governance, which discloses:*

(2) Kumar Managalam Committee Report

Corporate governance is no longer limited to the halls of academic and is increasingly finding acceptance for its relevance and underlying importance in the industry and capital market. Progressive firms in India have voluntarily put in place systems of good corporate governance. In an

age where capital flows world wide, just quickly as information, a company that does not promote a culture of strong, independent oversight, to risk its very stability and future health.

Studies of firms in India and abroad have shown that markets and investors take notice of well-managed companies, respond positively to them, and reward such companies with, with higher valuations. Strong corporate governance is thus indispensable to resilient and vibrant capital markets and is an important instrument of investor's protection. It is the blood that fills the veins of transparent corporate disclosure and high quality accounting practices. It is the muscle that moves a viable and accessible financial reporting structure.

Another important aspect of corporate governance relates to issues of insider trading not. It should at allow insider to manipulate their position and take unfair advantages. To prevent this corporate are expected to disseminate the material price sensitive information in timely and proper manner.

This report points out that the issue of corporate governance involves besides shareholders, all other stakeholders. The committee's recommendations have looked at corporate governance from the point of view of the stakeholders and in particular that of shareholders and investors. The control and reporting functions of boards, the roles of the various committees of the board, the role of management, all assume special significance when viewed from this perspective.

At the heart of committee's report is the set of recommendations, which distinguish the responsibilities, and obligations of the boards and the management in instituting the systems for good C.G. Many of them are mandatory. These recommendations are expected to be enforced on listed

companies for initial disclosures. This enables shareholders to know, where the companies are in which they have involved.

The committee recognized that India had in place a basic system of corporate governance and that SEBI has already taken a number of initiatives towards raising the existing standards.

The committee also recognized that the Confederation of Indian Industries (CII) had published a code entitled “Desirable code of corporate Governance and was encouraged to note that some of the forward looking companies have already reviewed their annual report through complied with the code.

Now to protect investors specially shareholders from any malpractices and injustice the Securities and Exchange Board of India appointed committee on corporate governance on May 7, 1999 under chairmanship of Shrikumar Managalam Birla, Member of SEBI Board to promote standard of C.G.

The constitutions of Committee

The committee has identified the three key constituents of corporate governance as the share holders, the Board of Directors and the Management. Along with this the committee has identified major 3 aspects namely accountability, transparency and equality of treatment for all shareholders.

Crucial to good corporate governance are the existence and enforceability of regulations relating to insider information and insider trading. These matters are currently being examined over here.

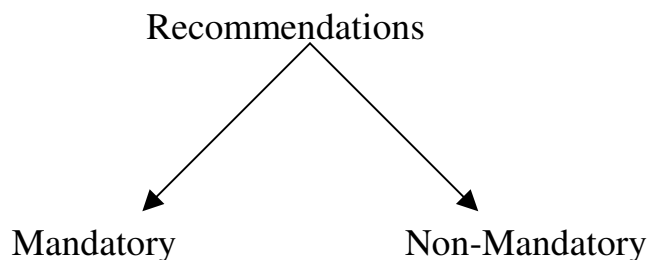
The committee had received good comments from almost all experts institutions, chamber of commerce Adrian Cadbury – Cadbury Committee etc.

Corporate Governance Objectives

Corporate Governance has several claimants – shareholders, suppliers, customers, creditors, the bankers, employees of company and society. The committee for SEBI keeping view has prepared primarily the interests of a particular class of stakeholders namely the shareholders this report on corporate governance. It means enhancement of shareholder value keeping in view the interests of the other stack holders.

Committee has recommended C.G. as company's principles rather than just act. The company should treat corporate governance as way of life rather than code.

Applicability of the Recommendation



The committee was of the firm view that mandatory compliance of the recommendations at least in respect of essential the essential would be most appropriate in the Indian context for the present.

The committee felt that some of the recommendations are absolutely essential for the framework of corporate governance and virtually from its core while others could be considered desirable. Thus committee has classified recognize into two parts.

Applicability

The committee is of the opinion that the recommendations should be made applicable to the listed companies, their directors, management, employees and professionals associated with such companies, in accordance with the time table proposed in the schedule given later in this section.

The recommendations will apply to all the listed private and public sector companies, in accordance with the schedule of implementation. As for listed entities which are not companies, but body corporate e.g. private sector banks, financial institutions, insurance companies etc. incorporated under statutes, the recommendations will apply to the extent that they do not violate guidelines issued by prevalent authority.

Schedule of implementation

The committee recognises that compliance with the recommendations would involve restructuring the existing boards of companies.

Within financial year 2000-2001, not later than March 31, 2001 by all entities, which are included either in-group 'A' of the BSE or in S&P CNX Nifty index as on January 1, 2000. However, to comply with recommendations, these companies may have to begin the process of implementation as early as possible. These companies would cover more than 80% of the market capitalization.

Within Financial year 2001-2002 but not later than March 31, 2002 by all the entities which are presently listed with paid up share capital of Rs. 10 crore and above and net worth of Rs. 25 crore as more any time in the history of the company.

Within financial year 2002-03 but not later than March 31, 2003 by all the entities which are presently listed with paid up share capitals of Rs. 3 crore and above.

Mandatory Recommendations

◆ Board of Directors: -

An effective corporate governance system is one, which allows the board to perform these dual functions efficiently. The board of directors of a company thus directs and controls the management of a company and is accountable to the shareholders. The board directs the company, by formulating and reviewing company's policies strategies, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, appositions and change in financial control and compliance with applicable law taking into the account the interests of the stake holders.

◆ Composition of the B.O.D.: -

The composition of the Board is as important as it determines the ability of the board to collectively provide leadership and ensures that no one individual or a group is able to dominate the board. This has undergone a change and increasingly the boards comprise of following groups of directors. Promoter, director executive and non-executive directors, a part of who are independent.

◆ Independent Direction: -

Independent directions are those directors who apart from receiving directors remuneration do not have any other material pecuniary relationship with company. Further, all pecuniary relationship or transactions of the non executive directors should be disclosed in the annual report.

The committee recommends that the board of a company have an optimum combination of executive and non-executive directors with not less than fifty percent of the board comprising the non-executive directors.

In case a company has a non-executive chairman, at least one third of board should comprise of independent directors and in case a company has an executive chairman at least half of board should be independent.

◆ **Nominee Directors: -**

These directors are the nominees of the financial as investment institutions to safeguard their interest it may be present of retired employee of financial institution on outsider. The committee recommend that institutions should appoint nominees on the boards of companies only on a selective basis where such appointment is pursuant to a right under loan agreements as where such appointment in is considered necessary to protect like interest of the institutions.

◆ **Chairman of the Board: -**

The committee recommends that a non-executive chairman should be entitled to maintain a chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. This will enable him to discharge the responsibilities effectively.

◆ **Audit committee (Non Mandatory): -**

The committee is of the view that the need for having an audit committee grows from the recognition of the audit committees' position in the larger mosaic of governance process.

The audit committee's job is one of oversight and monitoring and carrying out this job it relies on similar financial management and outside auditors. The committee believes that the progressive standards of governance applicable to the full board should also be applicable to the audit committee.

The committee therefore recommends that the board of a company should set up a qualified and independent audit committee. The committee states that audit committee should have minimum three members, all being non-executive directors, with the majority being independent and with at least one director having financial and accounting knowledge.

Frequency of Meeting and Quorum (Mandatory Recommendation): -

The committee recommends that to begun with the audit committee should meet at least thrice a year. One meeting must be held before finalization of annual accounts and one necessarily every six months. The quorum should be either two members or one third of members of audit committee, whichever is higher and there should be a minimum of two independent directors.

◆ **Powers of audit committee (Mandatory): -**

- (1) To investigate any activity within its terms of reference.
- (2) To seek information from any employee.
- (3) To obtain outside legal on other professional advice.
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

◆ **Functions of Audit Committee (Mandatory): -**

- (1) To ensure that the financial statement is correct, sufficient and creditable.
- (2) Recommending the appointment and removal of external audit.
- (3) Reviewing with management annual financial statement before submission to board related to changes in accounting policies and practices.

- (a) Major accounting entries.
 - (b) Qualifications in draft audit report.
 - (c) Significant adjustments arising out of audit.
 - (d) Compliance with accounting standards.
 - (e) Compliance with stock exchange and legal requirement concerning financial statements.
 - (f) Any transaction that may have potential conflict with the interest of company at large.
- (4) Reviewing with the management about adequacy of control.
 - (5) Discuss with internal auditors into the matter suspecting fraud on irregularity.
 - (6) Discuss with external auditors before the audit commences and also post-audit discussion to ascertain any area of concern.

◆ **Remuneration Committee (Mandatory): -**

The committee is of the view that a company must have a creditable and transparent policy in determining and accounting for the remuneration of the directors. For this purpose the committee recommends that the board should set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of references. The Remuneration Committee should comprise of at least three directors, all of them should be non-executive directors, the chairman being an independent one. The chairman of Remuneration Committee should present at AGM. It is important for the shareholders to be informed of the remuneration of the directors of the company, which is mandatory.*

(3) Naresh Chandra Committee Report on Corporate Governance

The department of company affairs also constituted a high level committee under the chairmanship of Naresh Chandra, a former cabinet secretary to recommend measures for improvements in corporate audit and governance.

The committee submitted its report on various aspects concerning corporate governance such as role, remuneration, and training etc. of independent directors, audit committee, the auditors and then relationship with the company and how their roles can be regulated as improved. The committee stingily believes that “a good accounting system is a strong indication of the management commitment to governance.

Good accounting means that it should ensure optimum disclosure and transparency, should be reliable and credible and should have comparability.

According to the committee, the statutory auditor in a company is the “lead actor” in disclosure front and this has been amply recognized sections 209 to 223 of the companies act. The chief aspects concerning the auditors functioning as per the act are:

- ❖ Auditors are fiduciaries of the shareholders not of the management as they are appointed as the shareholders appoint them.
- ❖ Auditor’s independence is guaranteed as rules for removing on replacing an auditor as more stringent than for reappointment.
- ❖ The statutory auditor of a company can, at all times, have the right of access to all books of accounts and vouchers of a company and his repeat can be quite exhaustive to specify whether,

- ❖ The auditor could obtain from management all information and explanations that were necessary for the purpose of audit.
- ❖ Proper books of accounts have been kept by the company
- ❖ Brained offices have been audited by him
- ❖ Company's accounts conform to accounting standards set by the institute of chartered Accountants of India.

Some Mandatory functions are,

- ❖ The adequacy of internal control commensurate to the size of the company and its business.
- ❖ The adequacy of records maintained on fixed assets and inventories and whether any fixed assets were re-valued during the year.
- ❖ Loans and advances that were given by the company, and whether the parties concerned were regular in repaying the principal and interest.
- ❖ Loans and advances taken by the company and whether these were at terms in judicial to the interest of the company and also whether these were being property repaid according to conducted schedules.
- ❖ Transactions including loans and advances, with related parties as defined by section 301 of the companies act.
- ❖ Fixed deposits accepted by the company from the public and if so, whether these conform to the provisions laid down by section 58A of Co.'s Act.
- ❖ Regularity of depositing of provident fund dues and whether the employees' State Insurance Act 1948, was applicable to the company.
- ❖ No personal expenses of directors and employees were charged to the profit & loss Act.
- ❖ In the case of any manufacturing company, whether the management has confirmed to the manufacturing and other companies order 1988.

◆ **Guidelines of Committee to Auditors: -**

- (i) For the public to have confidence in the quality of audit, it is essential that auditors should always be and be seen to be independent of the company, which includes integrity, professional ethics and objectivity.
- (ii) Before taking any work auditor must consider that there should not be any threat to his independence. And if it present he should adopt risk aversion virtue.
- (iii) Where such threats exist the auditor should either desist from the task or, at the very least, put in place safeguards that cruminate them to reduce the threats to clearly insignificant levels.

For the auditor is unable to fully implement credible and adequate safeguards then he must not do the work.

ASPECTS OF CORPORATE GOVERNANCE

❖ **Corporate governance and Ethics: -**

Ethics is normative science that deals with conduct of human beings living in society, so as to judge what is right and what is wrong on in the terms of good or bad. Ethics builds certain norms and standards against which comparison can be made and conclusions can be derived. Thus ethics deals with abstract and subjective issues.

Business stands in society and society is guided by norms of it. Ethics in business is related to conduct of business. Society cannot remain silent in relation to “BUSINESS ETHICS.”

Business conduct is generally or mostly guided by

- Mission and objectives of Organization.
- Collective aspirations and judgment of manager about means and ends of business.
- Expectations of shareholders.

Out these factors expectations of shareholders play an important role. This can be described as base for corporate governance.

- Corporate governance puts more emphasis on ethical activities. Specially in the recent years it has been found that most reputed firms have been found to undertake unethical activities. These activities are growing debate for business firms. A reputed firm may be found to follow unethical practices like,
 - (a) Non payment of taxes, fees dues to government.
 - (b) MIS representation of facts about products and services.
 - (c) Default in repayment of loans, deposits etc.
 - (d) Apathetic attitude towards environment.

- Concealment of vital information about organization, which may be expected in normal course of made, and the absence of such information will change the decision of decision makers.

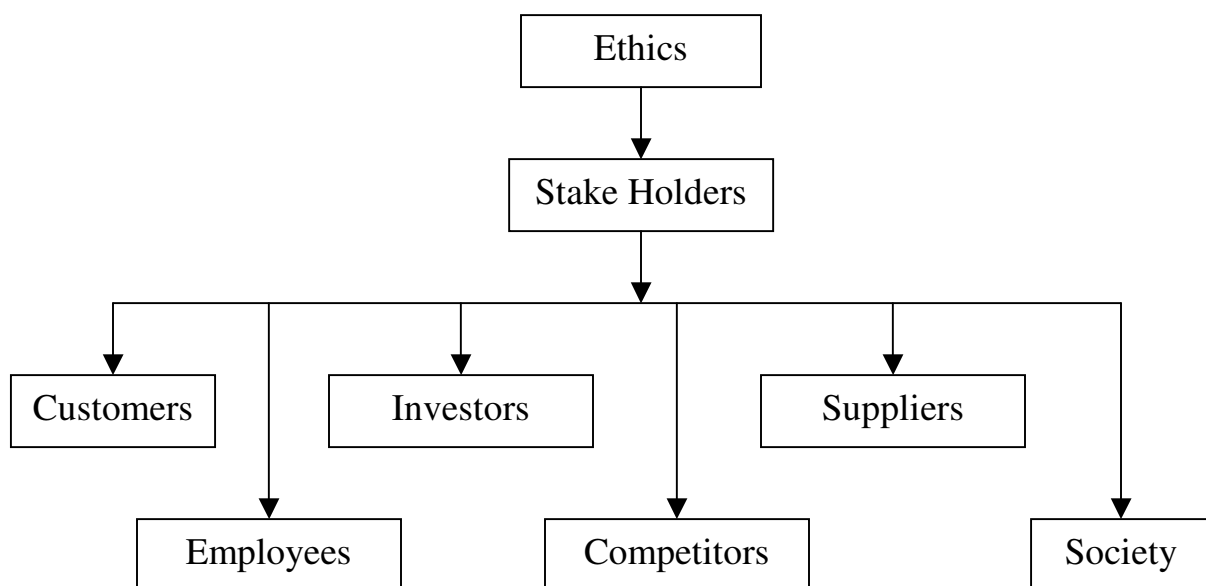
Ethics leads to grow debates on the following issues:

- Responsibility of members of board of directors &
- Disclosure forms relating to annual reports, as companies do not publish some vital information like environmental pollution or steps in the direction of appropriate technology.

Every business society has its accepted behaviors if someone deviates from it, it is considered to be unethical. Business communication showed gets its accepted behavior written down and codified.

The corporate should periodically revise its rooms and impinge on its members to adhere to these.

Now how to judge ethics?



❖ **Principles for Stake Holders: -**

This means how bus organization should deal with different stakeholders: Like,,

(1) Principles / Ethics towards employees: -

- ❖ Provide such wages and compensation that improve worker's living conditions.
- ❖ Provide such work environment that maintains health of employees.
- ❖ Try to be honest with employees during communicating them.
- ❖ Try to consider idea, suggestions & complaints of employees.
- ❖ Protect employees.

(2) Principles / Ethics towards investors: -

- ❖ Apply professional and diligent management for fair management.
- ❖ Disclosure of all information
- ❖ Conserve / Prefect and increase investors assets.
- ❖ Respect suggestions & complaints of them.

(3) Principles / Ethics towards Suppliers: -

- ❖ To be fare in pricing.
- ❖ Pay in time accordance with terms.
- ❖ Prefer supplier who gives preference to human dignity.
- ❖ Share information.
- ❖ Maintain relationship with supplies.

(4) Principles / Ethics towards Communities: -

- ❖ Respect human rights.
- ❖ Support govt. & public policies.
- ❖ Promote development in society.
- ❖ Respect culture.
- ❖ Maximize charity if possible.

(5) Principles / Ethics towards Customers: -

- ❖ Provide highest quality product.
- ❖ Treat customer fairly.
- ❖ Provide reasonable price.
- ❖ Provide all knowledge to customers related to product.

Company should follow all these ethics so that it can reduce risk of not following ethics.

❖ Corporate Governance & Financial Accounting

The basic objective of accounting in corporate management in recent times has come to be understood as “to put in place a sound system of financial reporting.” That would necessarily have to include maintenance of accounts and preparation of financial statements on the basis of sound accounting principles, which would ultimately leads to transparent reporting.

The centrality of financial reporting in establishing the creditability of management in corporate affairs is well brought out by the Institute of chartered Accountants of India in its “Framework for the preparation and presentation of financial statements” in following words.

“Financial statements also show the results of the stewardship of management or the accountability of management for the resources entrusted to it. Those users who wish to assess the stewardship and accountability of management do so in order that they may make economic decisions, the decision may include, for e.g., whether to hold or sell their investment in the enterprise or whether to reappoint or replace the management. Now it has been realized by most of the management to keep proper system of accounting to maintain effective control.

Maintenance of proper accounting system has two objectives viz – safeguarding of assets including prevention and detection of fraud and ensuring that the periodical financial reports required to be published under various regulation and statues are reliable. The emphasis on reliability of financial reporting in present day doesn't mean only figures stated in financial reports but would also include standardization of the accounting transactions and flounce of standards pronounced by professional bodies.

Financial Accounting & Governance

Since 80's & 90's the world has passed through movement of globalization & liberalization. This has led many companies to follow principles related to accountancy. The International Accounting Standards Committee (converted as International Accounting Standard Board with effect from 1st April 2001) as the apex body of professional institutes of accountants of various countries has issued named as Accounting Standards on various issues concerning accounting. In the Indian scenario in the matter of evolution and adoption of Accounting Standards, of late is rapid. Institute of Chartered Accountants of India (ICAI) had formed Accounting Standards Board way back in 1974; these were not mandated on its members while discharging the attest function till the late 80's and early 90's. Even imposed only on the members and not on management. The various reports on corporate governance have quickened the process of pronouncement of newer Accounting Standards by the Institute of chartered Accountants of India. The present era of corporate of Governance in global environment is creating a situation where the individual countries are evolving Accounting Standards on many issues

of interest of an accountant and these are being synchronized, and the system is moving towards an evolution of global Accounting Standards.

The period when the whole world will be adopting a single global standard on all accounting issues is not far off.

CHALLENGES FOR DEVELOPING COUNTRIES

The most important that corporate governance is recently origin concept and has been developed since few years. The question may arise then that if corporate world wants to have benefits from this concept, they have to be aware about the challenges that is put forth to this concept.

No doubt corporate governance can function to strengthen public policy but important thing is that how corporate governance. supports national competitiveness, how it can encourage national and international investment, how it can support economics growth, how it can generate employment and help to overcome poverty and social exclusion corporate governance. is not only a matter of corporate sector but also of whole economy including public sector, private sector and civil society.

Thus the main and important aspect related to corporate governance is that,

“We can not achieve good governance if public governance is deficient, if political leadership and institutions are distrusted if the law is outdated and legal administration takes years or even decades to deliver justice.”

We cannot say that corporate governance is just an end but it is an instrument to achieve an end. If corporate governance is followed well then

other benefits will automatically follow it. Thus corporate governance should be used as development policy instrument.

There are different challenges like,

(1) Different Perceptions: -

Corporate governance is looked as best concept from the point of view of investors. They always support corporate governance because they are enthusiastic about corporate governance and want more of it especially after recent scandals. But company's directors are least interested in publishing their accounts because their preoccupations are to survive in a viciously competitive global market, to maximize profit, and to be a decent corporate citizen and not to bother with contributions to public policy.

(2) Dilute the Principle of Accountability: -

A great debate was made in late 1990's about whether corporate governance is applicable to state enterprise and family owned companies. There was a strong voice that corporate governance is applicable to only publicly listed companies where there is principal agent relationship.

But corporate governance is for increasing accountability and making company's owners "do-gooder" corporate governance is for increasing company's growth through transparency but this is generally late pronounced.

(3) Less Punitive Principles: -

When any one say for corporation governance whether developing countries have same challenges as that of developed countries, then one aspect comes into mind that there is lack of punitive measures initiated by government. Which are not present actually.

(4) Objectives of corporate governance are themselves not clear: -

Developing countries should apply corporate governance not only for better governance. If corporate governance is applied in effective way then it can solve many problems. But owners or players of corporate world are not applying exact principles and objectives for development of stakeholders. Corporate governance can be linked to a number of development objectives and assigned development targets.

(5) Lack of training to the directors: -

Sometimes Directors of a company are themselves not clear about what they are supposed to do under application of corporate governance.

The mass of directors, in sufficient numbers to make difference to the performance of the economy should be trained enough. The training will lead to sufficient applicability of corporate governance.

(6) Absence of strategic Measures: -

Corporate governance needs strategic application. Which means all elements are needed to be programmed first and identification of key elements for successful implementation. But, unfortunately this measure does it present in developing countries. SWOT analysis is needed in every sector of economy. Benchmarking, TQM, and ISO can help a lot in changing & transferring concept of business.

(7) Lack of Professionalisation: -

Developing countries like India do not have professional touch and most of the businesses are family concerned so they lack professional touch in their management While corporate governance needs solid professional base which will generate ideas and strategy both to guide the business. It needs more professional standards.

PROBLEMS IN EFFECTIVE GOVERNANCE

Bad governance is opposite of good governance. Simply bad governance is, obviously, harmful for nation, society, economy and most importantly for company.

If a company fails to develop standard forms and principles at work place than it may results into:

- ◆ Devaluation
- ◆ Crime
- ◆ Manipulation

Due to bad governance many company had faced accelerating scandals and problems.

Shareholders will not have complete faith in such industries which do not employee standardize norms and prentices.

The companies like Enron and world com had faced such accounting scandals & even they, believe and started giving importance to “CORPORATE GOVERNANCE.”

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CHAPTER - 2

RESEARCH METHODOLOGY

"Research in common parlance refers to search for knowledge "

Advanced Learner's Dictionary of current English, bags down the meaning of research as a careful investigation or inquiry especially through search for new facts in any branch of knowledge.

Redman and May define research as "systematised efforts to gain new knowledge" According to **Clifford Woody** "A Research comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organising and evaluating data, making deductions and reaching conclusions and at least carefully testing the conclusions to determine whether they fit the formulating hypothesis."

"All progress is down of inquiry. Doubt is often better than over confidences for it leads to inquiry and inquiry leads to investigation" Research leads to addition in knowledge and uplifting one's status.

2.2 PROBLEM IDENTIFICATION

Researcher has framed following problem for this work.

"A STUDY OF CORPORATE GOVERNANCE PRACTICES OF CORPORATE SECTOR IN INDIA"

2.3 OBJECTIVES OF THE STUDY :-

- To understand the concept of Corporate governance
- To document the corporate governance practices in various groups of industry

- To examine the practice of the corporate governance for Board of Director
- To study the transparency and related disclosure
- To study shareholder's satisfaction and practice for their various claim
- To analyse the disclosure of financial information
- To document the level of corporate social responsibility.

2.4 SURVEY OF THE EXISTING LITERATURE :-

For this study researcher has reviewed various publication to get the proper understanding.

N. Gopalsamy has written a book “A Corporate Governance a new paradigm published by wheeler & co., It covers basic three parts 1, Corporate Governance 2, Business Environment and 3, Globalization. For Corporate governance he has covered conceptual overview, Role of Board of Directors, Audit, Corporate disclosure and investors protection etc.

July 2003, The Chartered Accountant, an article written by Prof. Dr. Khwaja Amjad Saeed titled “Corporate governance global and Pakistan experienced. In this article, he has focused on concept, major theme, global dimension and experience of Pakistan. It is an empirical study on corporate governance.

S. Sundaram has written an article in the Chartered Account magazine October 2001 on the topic accounting implications of corporate governance with the title “The growing clout of accounting standards”. He has taken accounting standards and international standards with effect of Corporate governance.

Laxmikant Garg, in the same journal has evaluated implications for the accountants, Audit committee. Directors report, Accountant's role and good governance practices.

Anil Sharma has evaluated disclosure & transparency and new dimensions in Corporate Governance.

Dr. Ashish K. Bhattacharya has highlighted corporate governance through his article titled "Ethics in Corporate financial accounting". He has focused on fundamental relationship, shareholders value, accounting standards and ethical dilemma.

The researcher to collect information about corporate governance has used the various sites and google search engine.

The report on corporate governance by New York University business school, Norwich University MBA programme, and Harvard John M. Olin center for Law and economics have presented some work on corporate governance. The work was related with telecommunication development funds and collected the data from new chief executives who needs to advice on such things as B.O.D., Audit committee, Risks, Returns etc.

In another article on corporate governance as result of NET work forum with share holders and stakeholders mentioned that the firm with strong shareholders' rights had higher firm value, higher profit, higher sales and lower capital expenditure, here views of various groups have been taken properly.

Board of directors is like subatomic particles, they behave differently when they are observed more vigilant shareholders are also socially responsible.

Another report on website on corporate governance at Dow indicates that corporate governance practices are based on high standards of personal

and company integrity in order to earn the trust of shareholders. Corporate decision system and transaction costs are also exhibited on site.

Through amazon.com researcher has collected various definitions on corporate governance, their relationship with company.

On above background researcher have evaluated the concept and various related aspects of corporate governance. After this researcher has shown her interest to go for exploratory study and investigate this concept and its related applicability in the Indian corporate sector.

2.5 SCOPE OF THE STUDY :-

The scope of the study is very wide. All units registered under the companies Act 1956 can be the census for the study. However, the researcher has selected 5 groups. All these groups are selected from the published issue of the Business 'Today-November 2003' titled "India's top 500 companies". Total 50 companies have been covered for the study.

2.6 HYPOTHESIS :-

1. There is no significant difference in corporate governance disclosure index of Board of director's practices among samples units and sector.
2. There is no significant difference in corporate governance disclosure index of Transparency and disclosure among samples units and sector.
3. There is no significant difference in corporate governance disclosure index of stakeholders claim satisfaction among samples units and sector.
4. There is no significant difference in corporate governance disclosure index of financial information among samples units and sector.

5. There is no significant difference in corporate governance disclosure index of Social responsibility practices among samples units and sector.

2.7 RESEARCH METHODOLOGY :-

It is an empirical study, so researcher has followed scientific approach to design the research methodology for investigation. For this study researcher has used secondary data as a source of information for this research e.g. the Annual reports and websites and other publications.

For sampling researcher has used stratified sampling technique. The number of corporate sector is very large and it is beyond the capacity of individual researcher to conduct the study with census. So researcher has taken the survey conducted by “Business Today November 2003 for the selection of the group. The 5 groups, which are selected for the research are Overall top ten companies, Top IT companies, Top Pharma and Healthcare companies, Top Banking and financial sector companies, and Top FMCG companies. Each group has 10 companies. Researcher has taken total 50 companies for the study.

List of the companies for the study:

Group-I : Overall top ten companies	Group II : Top IT companies
1. Reliance Industries limited	1. Infotech
2. Wipro Limited	2. Patni
3. Infosys	3. NIIT
4. ITC	4. Mastek
5. HDFC	5. Zensar
6. ICICI Bank	6. HCL
7. Bharti Enterprise	7. Sonata
8. Dr. Reddy's lab	8. Mrotek
9. Ranbaxy	9. Javelin
10. Hindustan Lever Limited	10. Tata Infotech

Group III : Top Pharma and Healthcare companies	
1.	Novartis
2.	Cipla
3.	Bio Con
4.	Cadila
5.	Merck
6.	Pharmacia
7.	Glaxo Smith Kline
8.	Lupin
9.	Pfizer
10.	Aventis

Group IV : Top Banking and Financial Service sector	
1.	Corporation Bank
2.	UCO Bank
3.	Karur Vysya Bank
4.	Kotak Mahindra Bank
5.	Bank of Maharashtra
6.	Allahbad Bank
7.	The Karnataka Bank
8.	Reliance Capital
9.	Global trust Bank
10.	Bank of Punjab

Group V : Top FMCG companies	
1.	Navneet Publication
2.	Titan
3.	Nirma
4.	Brittania Industries
5.	Asian Paints
6.	Dabur
7.	Nestle
8.	Bata
9.	RayBan
10.	Colgate

Now, after the selection of the sample, researcher has collected Annual reports of these companies for the year 2002-2003

Research has taken a questionnaire for rating and evaluating corporate governance practice published in Chartered secretary July 2003. This Questionnaire consist with corporate governance related aspects like company's information, Board and management structure, Board committees, Transparency, Shareholders claim satisfaction, financial information and corporate social responsibility.

After this researcher has collected information from all these sampled units annual reports of 2002-2003 whenever it is published in any form in annual reports.

After that, researcher has developed various tables and then 1 point has been given to the each disclosed items and 0 points for non-disclosed items. On this basis researcher has developed corporate governance disclosure index with following formula.

$$\text{Corporate governance index} = \frac{\text{Total disclosure of units}}{\text{Maximum disclosure of corporate governance}} \times 100$$

After that, researcher has used sophisticated tools to test the hypothesis. Like ANOVA, 'f' test etc.

Finally, researcher has also classified various company in the group as

A - High CG index companies

B - Moderate CG index companies

C - Low CG index companies

In addition to this researcher has also evaluated the various components of corporate governance with the units and sector.

2.8 SIGNIFICANCE OF THE STUDY : -

This study is important for the two major aspects. Firstly, it can give understanding of practical approach or implementation overview. Secondly, it also gives comparative overview of corporate governance provisions in

Indian corporate sector. It is dynamic study in nature. So the significance of the study is very high. Further, some observations may be useful to academicians, industry people and policy maker.

2.9 LIMITATIONS OF THE STUDY : -

1. It is secondary database study so the limitation of the secondary data reveals with this study.
2. Researcher has evaluated 63 parameters but it may be more than that for further research.

2.10 SAMPLE PROFILE :-

Researcher has taken “Business today best 500 companies” issue to select the groups of company total 5 groups on the basis of market capitalization which are overall top ten companies, IT companies, Pharma and Health care companies, Banking and financial service companies and FMCG companies have been taken. The data collected with the questionnaire which was published in chartered secretary, July 2003. According to this following information can give profile of sample units.

I General Information : General information consist name of the office, corporate office, investors service center Registered office, company secretary, website etc.

(I)**Table 2.10.1.1**

Disclosure About the general Information of overall top ten companies

Sr. No	List of Companies	Corporate Office	Investors services center	Registered Office	Company Secretary	Website
1	Reliance	NM	Website	3 rd floor, Makers chamber, 22 nariman point, Mumbai	1, Vinod M. Ambani 2. Rohit C.Shah 3. Surendra Pipara	http://www.ril.com
2	Wipro	Reg. Office	NM	Doddakunneli Sarjapur Road, Bangalore	Satish menon	www.vipro.com
3	Ranbaxy	NM	NM	19, Nehru place New Delhi	S.K. Patawari	www.ranbaxy.com
4.	Dr. Reddys Lab	7-1-27 Amarpreet, Hyderabad 500016 Andhrapra Pradesh.	Website	Same as corpo. Office	Santosh kumar Nair	www.drreddys.com
5	ITC	NM	Reg. Offi.	Virginia House, 37, Jawaharlal Nehru Road, Kolkata	Biswas Behari Chatterjee	www.itcportal.com
6	ICICI Bank	ICICI Bank Tower, Bandra Mumbai	Website	Land Mark, Race Course, Circle Vadodara	Jyotin Mehta	www.icicibank.com
7	HDFC	Reg. Office1	Website	Roman House 3 rd floor, H.T. Parekh Marg, 169 Backbay Reclamation Charchgate, Mumbai.	Susir akumar	www.Hdfcfund.com
8	Bharti Enterprise	Reg. Office	Website	H-5/12 Mehrauli Road Qutab Ambience New Delhi	Narendra Gupta	www.bhartitelventures.com
9	Infosys	44, Electronic City, Hosur Road Bangalore 560 100	Website	Electronic City Bangalore	V. Balakrishnn	www.infosys.com
10	HLL	Reg. Office	Reg. Office	Mumbai	O.P. Agrawal	www.hll.com

The above table highlights the disclosure of the general information of overall top ten companies including Reliance, Wipro, ITC, Ranbaxy, Dr. Reddy's Lab, ICICI Bank, HDFC, HLL, Infosys & Bharti enterprise. General information covers corporate office, Investor service center, registered office, Co. Secretary & website, out off these corporate companies, Dr. Reddy's lab, ICICI Bank, HDFC, Bharti enterprise Infosys & HLL have disclosed all the details of general information on the other hand remaining firms have limited disclosure corporate office detail has not been mentioned by Reliance, ICI & Ranbaty. While Wipro & Ranbaxy have not declared information of investor's service center.

(II)

Table 2.10.1.2

Disclosure About the general Information of overall IT companies

Sr No.	List of Companies	Corporate Office	Investors service center	Registered Office'	Company Secretary	Website
1	Info tech	42, nagarjunahills punjagutta hyderabad 19/20 pivotal b center. Dlf center, New delhi	Reg. office	Corpo. office	M.S. Khan	www.injfotech.com
2	Patni	Akruti, MIDC, Cross Road, Andheri, Mumbai	Corpo. Office	S-IAIrani	Arun Kankal	www.patni.com
3	NIIT	8, Balaji Estate Sudarshan Mnjal Marg Kalkaji New Delhi	Website	NET House C-125 Phasel New Delhi	Bal winder Sing	www.niit.com

4	Mastek	K.C. House 15-DMidc Center Road Andheri(E) Mumbai.	Reg. office	804/805 President House Opp. C.N. Vidyalaya Near Ambawadi	N.B. Balknshsn	www. mastek. com
5	Zensar	NM	Reg.offi.	Milepost 4Pune Road Manharasra	Dilip Deshpande	WWW. zensar. com
6	HCL	Noida	The Investors Relation HCL tech A- 10&11 Sec.3 Noida	806,siddart h 96, Nehruplace	Allwyn Naronha	www .hcltech. com
7	Sonata	NM	NM	Sonata Software APS Trust Bull Temple Banglore	Praveen Kumar	WWW. SonataSoft ware. com
8	Mrotek	29/B Electronic City Hosur Road Banglore	Mrotec @vsnl.Com	“MRO House” 14,1st ‘D’ Road Banglore	R. Ramashwmy	www. mrotek. com
9	Javelin Tech.	402, Classic Count Apartment Erramanzilcol ony Hydrabad	Enigma ITPL Road Banglore	Engima Villa ITPL Raod Banglore 560066	NM	<u>www.</u> <u>jveline.</u> <u>com</u>
10	TATA- infotech	17/B Tirlim Ind. Estate Karswada Mapsusa Goa	Reg. Office	Tata Infotech Manish Commerial Center 216 A-Annie Besant Road MUMBAI	MM Surti	<u>www.</u> <u>tataimfortec.</u> <u>com</u>

The tabular information shows disclosure of general information of top It companies namely InfoTech, Patni, NIIT, Mastak, Zensar, HCL, Sonata, Mrotek, Javelin tech, all the companies have disclosed all the details namely corporate office, Investor’s service center, Registered office, company secretary, & Web-site Sonata has not disclosed information about

corporate office & investor's service center, while zensar fails to declare corporate office information on the other hand company secretary is detail has not been declared by Javelin tech. Remaining firms i.e. Infotech, Patni, NIIT, Mastek, HCL, Mrotek & TATA InfoTech have disclosed all the general information.

(III)

Table 2.10.1.3

Disclosure about the general information of Pharma and health care companies

Sr No	List of Companies	Corporate Office	Investors service center	Registered Office	Company Secretary	Website
1	Novartis	Plot noL 1 Additional Phase MIDC Indus. Area Maharashtra	Corpo. Office	Sandoz House Shivnager Est. Worli Mumbai	H.K. Maniar	No website
2	Cipla	Goa Maharashtra Karnatka	NM	Mumbai Center Mumbai	Mital Sanghvi	www. Cipla. com
3	Biocon	NM	NM	20 th km Hours Road Electronic City Banglore	K.N. Murlikrishnan	www. biocon. com
4	Cadila	Zydus Tower Setelite Cross road Ahmedabad	Website	Corpo. Office	Upen H. Shah	www. zydus cadila. com
5	Merck	Plot no 11/1 Usgaon 403407 Goa	Corpo. Office	Shiv Sagar Estate 'A' Dr. Annie Besant Road Worli Mumbai	K.J. Mallya	www. merck. co.in
6	Pharma cia	3203 Gide Bharuch Gujarat	Reg. Office	Corpo. Office	S. Shankar	NM<

7	Glaxo-Smith Kline	DLF Plaza Tower DLF City Phase I Gurgaon Maharashtra	Investor 2.210 @gsk.com	Glaxo S.Kline Consumer Care Patilla Road Nabha	Surinder Kumar	www.laxoSmithkline.com
8	Lupin	T-142, MIDC Indus. Estate Boisar Thane Maharashtra	Website	159 C.S.T. Road Kalina Santacruz Mumbai	K.N. Bade	www.lupinworld.com
9	Pfizer	Thane Belapure Road KuBazar Post Navi Mumbai 400 705 Tel: 7916161	Reg. Office	Pfizer Center Patel Estate S.v. Road Jogeshwari (W) Mumbai	A. Anjeneyan	www.Pfizerindia.com
10	Aventis	34501 - 15 6301, B-14 GIDC Estate Ankleshwar	Website	Aventis House 54/A Sir Mathura das Vasani Road Andheri Mumbai	Mr. K. Subramani	www.aventis.com

Disclosure of the general information by the top pharma & health care units has been presorted in the above table. It includes the firms namely Novartis, Cipla, Biocon, Cadila, Merck, Pharmacia, Glaxo Smithkline, Lupin, Pfizer & Aventis. The firms namely Novartis, Cadila, Merck, Pharmacia, Glaxo Smithkline, Lupin, Pfizer, & Aventis have disclosed all the details including corporate office, investor's service center, Registered office, company secretary & website. Investor's service center's detail has not been mentioned by Cipla & Cadila while Pharmacia fails to mention website.

(IV)**Table 2.10.1.4**

Disclosure about general information of Banking and financial service sector companies

Sr N o	List of Companies	Corporate Office	Investors service center	Registered Office	Company Secretary	Website
1	Corporation Bank	Corporation Bank Corporate Office Mangaladevi Temple Road Mangalore 575001	Corpo. Of fice	NM	NM	www.corpobank.com
2	UCO Bank	Kolkata	DGM Share Section Treasury & Investment mgt Uco Bank kolkata	NM	NM	www.ucobank.com
3	Karur Vysya Bank	Erode Road Karur 639002	Website	Corpo. Office	R. Venkataraman	www.kvb.co.in
4	Kotak Mahindra Bank	Reg. Office	Website	36-38A Nariman Bhavan 227,Nari. Point Mumbai	Bina Chandran	www.kotakmindra.com
5	Bank of Maharashtra	1501, Shivaji Lok Mangal Nagar Pune	Corpo. office	NM	NM	NM
6	Allahbad Bank	2, Netaji Subash Road Kolkata 70001	Corpo. Off ice	NM	NM	NM
7	The Karnataka Bank	Mahave era Circle Pumpwell Kankan ady Manglore	Website	Corpo. Office	Y.V. Balchandra	www.ktkbank.com

8	Reliance Capital	Fosbery Road Opp. Reay Road Station Mumbai	Website	Village Meghpar Padana Taluka Lalpur Dist. Jamnagar	V.R. Mohan	www. reliancecapital.com
9	Global Trust Bank	Hari HaraKala Bhavan Complex Secundrabad	Reg. Office	Asok My Home Secundrabad	G.V. Suresh Kumar	NM
10	Bank of Punjab	NM	Reg. Office	Sco 46-47 Sector9D Chandigarh India	Balbir Bajaj	www. bank ofpunjab. Com

Total information has been presented by Karur Vysya Bank, Kotak Mahindra Bank, The Karnataka Bank & Reliance capital. Both Allahbed Bank & Bank of Maharashtra failed to disclose information of Registered off, company secrtrary & website Information of Corp. office has not given by bank of Punjab while website data has not given by GTB. Further Crop. Bank & UCO Bank failed to present details of registered office & company secretary

The details presented in the above table are about general information disclosure by the banking & financial sector's companies, namely Corpo. Bank, UCO Bank, Karur Vysya Bank, Kotak Mahindra Bank, Bank of Maharastra, Allahabad Bank, The Karnataka Bank, Reliance Capital, GTB & Bank of Punjab.

(V)

Table 2.10.1.5

Disclosure about general information of FMCG companies

Sr. No.	List of Companies	Corporate Office	Investors service center	Registered Office	Company Secretary	Website
1	Navneet	Gujarat, Thane, Silvasis	Website	Navneet Bhavan Bhavani Shankar Road Dadar Mumbai	Manoj J. Thaker	www.navneet.com
2	Titan	1,3, Sipcot Industrial Complex, Hosur 635126 2, Mohbewa Indus. Area Dehradun 248002	NM	As per Corpo. Office	Usha lynegar	www.titan.com
3	Brittania	Brittania Exe. Office Brittania Garden Banglore	NM	5/1A Hunger foodstreet Kolkata	Ravi Manthan	NM
4	Nirma	Block No. 16 Ahm-Mehsana Highway Dist. Mehsana Gujarat	Website	Nirma House Aharam Road Ahmedabad	Hasit Shukla	NM
5	Asian paint	Plot no. 2702 GIDC Indus. Area Ankleswar Gujarat	Reg. Offi.	Asian Paint 6A Shantinagar Santacruz Mumbai	Jaesh Merchant	www.asianpaint.com
6	Dabur	Dabur Tower Kaushambi Sahibabad Uttar Pradesh India	Website	8/3 Asaf Ali Road New Delhi 110002	Ashok	www.dabur.com

7	Nestle	Nestle House Jacarada Marg 'M' Block DLF city PhaseII Guregon Haryana	Website	M- 5A Connaught Circus New Delhi	B. Murli	NM
8	Bata	NM	Website	6, A Sn Benergee Road Kolkata	A.B. Anand	www.bataindia.com
9	Ray-Ban	NM	Reg. Office	Rii Indus. Area Phase Alwar Rajasthan	Dinesh K.jain	Don't have
10	Colgate	Sewri fort Road, Mumbai 400015 & Aurangabad	Sharepro Service 912, Raheja center Nariman Point Mumbai	Colgate Research center, Main Street, Hiranandani Gardan, Powai, Mumbai 400076	K.V. Vaidyanathan	www.colgate.co.in

General information disclosure by the FMCG companies has been displayed in the above table by the researcher. It covers the companies namely Navneet, Titan, Britannia, Nirma, Asian Paint, Dabur, Nestle, Bata, Ray-Ban. Dabur & colgate have mentioned all the details. Bata & Ray-Ban have not disclosed corporate office detail. While website information has not been shown by Britannia, Nestle & Nirma on the other hand Titan & Brittaina missed to display investor's service center information

II Disclosure about the exchange code and year of incorporation.

According to C.G. practice, every company should clearly mention year of incorporation and exchange code these information are as under.

(I) Table 2.10.2.1

Disclosure about year of incorporation and Exchange code of overall top ten company

Company	Year of	Stock code
Reliance Ind.	NM	RIL 500325(BSE) RELIANCE
Wipro Ltd.	1945	Wipro (BSE) (NSE) WIT(NYSE)
Ranbaxy lab.	NM	Ranbaxy (NSE) 500359 (BSE)
Dr. Reddys lab	NM	NM
ITC	NM	ITC(NSE), 500875(BSE)
ICICI Bank	NM	32174(BSE) 32174 EQ(NSE)
Bharti Ent.	NM	BHARTI(NSE) 532454 (BSE)
Infosys	1980	INFY BO(BSE) INFY NS(NSE)
HDFC	NM	500010 (BSC), HDFC EQ (NSE)
HLL	NM	500696(BSE) HINDLEVER(NSE)

In the disclosure about the Year of incorporation an exchange code of overall top ten companies, almost all the companies have mentioned the exchange code. Out of ten companies nine companies have disclosed the exchange code and Dr.Reddy's lab has not mentioned such information. Out of ten companies only two companies have mentioned their year of incorporation while others have not disclosed this information.

(II) Table 2.10.2.2

Disclosure exchange code and year of incorporation of top IT companies

Company	Year of	Stock code
Info tech	NM	532145 (BSE) infotech(NSE)
Patni	1978	532517-(BSE), PATNI (NSE)
NIIT	1982	NIIT-(NSE), 500304 (BSE)
Mastek	NM	523704 (BSE), MASTEK (NSE)
Zensar	-	504067(BSE)ZENSARTECH (NSE)
HCL	NM	HCLTECH(NSE)5 3281 (BSE)
Sonata	NM	Sonatasoftw(NSE) 53221(BSE)
Mrotek	1976	MROTEK(BSE)(NSE)
Javelin Tech -	NM	531794(BSE)
Tata Infotech	NM	504290(NSE)

About the information of the year of incorporation and exchange code of top IT companies, the Researcher has found through the research sample that the few companies have disclosed the Data related to the Year of incorporation. Only 3 companies have disclosed the year of incorporation and all the ten IT companies have disclosed the Data related to the Exchange code.

(III) Table 2.10.2.3

Disclosure year of incorporation and Exchange code of Pharma and health care companies

Company	Year of	Stock code
Novartis	NM	500672(BSE) 18247(CSE)
Cipla	1935	500087(BSE) CIPLA(NSE)
Bio Con	1978	532523(BSE)BIOCON(NSE)
Cadila	NM	532321(BSE)CADILAHC EQ(NSE)
Merck	NM	500126(BSE)EMERCK(NSE)
Pharmacia	NM	506817(BSE)ABBOTLILAB(NSE)
Glaxo Smith Kline	NM	50676(BSE) GSKCOMS(NSE)
Lupin	NM	500257(BSE) LUPIN(NSE)
Pfizer	1990	500680(BSE)PFIZER EQ(NSE)
Aventis	NM	674(BSE)

As the data of top Pharma and healthcare companies discloses the information of Exchange code and Year of incorporation through which Researcher has come to Know that only three companies have disclosed the Year of incorporation while the data of Exchange code have been disclosed in their annual reports.

(IV)

Table 2.10.2.4

Disclosure Year of incorporation and Exchange code of top Banking and financial service sector companies

Company	Year of	Stock code
Corporation Bank	1906	532179(BSE)CORPOBANK(NSE)
UCO Bank	NM	532505(BSE)UCOBANK(NSE)
Karur Vysya Bank	NM	NM
Kotak Mahindra Bank	NM	500247(BSE)KOTAKBANK(NSE)
Bank of Maharashtra	NM	532525(BSE)MAHABANKEQ(NSE)
Allahbad Bank	NM	532480(BSE)ALBK(NSE)
The Karnatak Bank	1923	590002(BSE)KTKBANK(NSE)
Reliance Capital	1985	RELIACCAPT(BSE)
Global Trust Bank	1992	500161(BSE)GLOBLTRUST(NSE)
Bank of Punjab	NM	NM

The information of the year of incorporation and exchange code of top banking and financial service sector companies shows that out of total ten Banks 4 banks have disclosed the information of Year of incorporation While except the Bank of Punjab all the banks have disclosed the information of exchange code.

(V)

Table 2.10.2.5

Disclosure Year of incorporation and Exchange code of top FMCG companies

Company	Year of	Stock code
Navneet Publication	NM	508989(BSE) NAVNEET(NSE)
Titan	NM	1 14(BSE)TWT(MSE)
Brittania	NM	825(BSE) BRITANNI A(NSE)
Nirma	NM	NM
Asian Paints	NM	500820(BSE) ASIANPAINT(NSE)
Dabur	NM	500096(BSE) DABUR(NSE)
Nestle	1866	790(BSE)0035(DSE)
Bata	1933	NM
RayBan	1937	500044(BSE)
Colgate	NM	500830(BSE)

The information of the exchange code and year of incorporation of top FMCG companies reveals that only three companies out of ten companies have disclosed the data related to the year of incorporation. While about the exchange code almost all the companies except the Bata have disclosed the information.

Listing of company in various stock exchange

BSE,NSE,DSE,CSE, FSE, and regional are available option to register the unit. The collected information has been given below.

(I) Table 2.10.3.1

Disclosure listing on stock exchanges of overall best top 10 companies

Company	BSE	NSE	DSE	CSE	FSE	Regional	Total
Reliance Ind.	✓	✓	-	-	-	-	2
Wipro Ltd.	✓	✓	-	-	✓	-	3
Infosys	✓	✓	-	-	-	-	2
ITC	✓	✓	✓	✓	✓	✓	6
HDFC	✓	✓	-	-	-	-	2
ICICI Bank	✓	✓	✓	✓	✓	✓	6
Bharti Ent.	✓	✓	✓	-	-	-	3
Dr. Reddy's lab	✓	✓	-	-	-	-	2
Ranbaxy	✓	✓	✓	✓	✓	✓	6
HLL	✓	✓	✓	✓	✓	✓	5
Total	10	10	5	4	5	4	

The data related to the listing on the Stock Exchange reveals that out of top ten overall best companies all ten companies are listed on the Bombay Stock Exchange and National Stock Exchange. While five companies are listed on the Delhi Stock Exchange, Four companies are listed on the Calcutta Stock Exchange, while five companies are being listed on Regional Stock Exchange and four are being listed on the foreign stock exchange.

(II)**Table 2.10.3.2**

Information about listing on stock exchanges of top IT companies

Company	BSE	NSE	DSE	CSE	FSE	Regional	Total
Info tech	✓	✓	-	-	-	✓	3
Patni	✓	✓	-	-	-	-	2
NIIT	✓	✓	-	-	-	-	2
Mastek	✓	✓	-	-	-	-	2
Zensar	✓	✓	-	-	-	✓	3
HCL	✓	✓	-	-	-	-	2
Sonata	✓	✓	-	-	-	-	2
Mrotek	✓	✓	-	-	-	✓	3
Javelin Tech-	✓	✓	-	-	-	-	2
Tata Infotech	✓	✓	-	-	-	✓	3
Total	10	10	-	-	-	3	

In the disclosure of the listing on the Stock Exchange, all ten IT companies are listed on both BSE and NSE. While none of the company is listed on the DSE and CSE and Foreign Stock Exchange. And three of the companies are listed on the regional Stock Exchange.

(III)**Table 2.10.3.3**

Information about listing on stock exchanges of top Pharma and healthcare companies

Company	BSE	NSE	DSE	CSE	FSE	Regional	Total
Novartis	✓	✓	-	-	-	-	2
Cipla	✓	✓	-	-	-	-	2
Bio Con	✓	✓	-	-	-	-	2
Cadila	✓	✓	-	-	-	✓	3
Merck	✓	✓	✓	✓	-	✓	5
Pharmacia	✓	✓	-	-	-	-	2
Glaxo Smith Kline	✓	✓	✓	✓	-	✓	5
Lupin	✓	✓	✓	✓	-	✓	5
Pfizer	✓	✓	-	-	-	-	2
Aventis	✓	✓	-	-	-	-	2
Total	10	10	3	3	-	4	

In the disclosure of the top Pharma and health care companies, it is found that all the ten companies are listed on both Bombay Stock Exchange and National Stock Exchange. While three of the companies are being listed on the Delhi Stock exchange and Calcutta Stock Exchange. While none of the company is listed on the foreign Stock Exchange. Four of the companies are registered on the regional stock Exchange.

(IV) Table 2.10.3.4

Information about listing on stock exchanges of top Banking and financial service sector companies

Company	BSE	NSE	DSE	CSE	FSE	Regional	Total
Corporation Bank	✓	✓	-	-	-	✓	3
UCO Bank	✓	✓	-	✓	-		3
Karur Vysya Bank	-	✓	-	-	-	✓	2
Kotak Mahindra Bank	✓	✓	-	-	-	✓	3
Bank of Maharastra	✓	✓	✓	-	-	✓	4
Allahbad Bank	✓	✓	✓	✓	-		4
The Karnatak Bank	✓	✓	-	✓	-		3
Reliance Capital	✓	✓	-	-	-	✓	3
CTB	✓	✓	✓	✓	-	✓	5
Bank of Punjab	NM	NM	NM	NM	NM	NM	NM
Total	8	9	3	4	-	6	

About the disclosure of the listing on the Stock Exchange of top Banking and financial service sector companies, Out of ten companies 8 companies are listed on the Bombay Stock Exchange. Nine companies are listed on the National Stock Exchange. Out of ten companies 3 companies are listed on the Delhi Stock Exchange and 6 companies are listed on the Regional Stock Exchange.

(V)

Table 2.10.3.5

Information about listing on stock exchanges of top FMCG companies

Company	BSE	NSE	DSE	CSE	FSE	Regional	Total
Navneet Nublication	✓	✓	-	-	-	-	2
Titan	✓	✓	-	-	-	✓	3
Nirma	✓	✓	✓	-	-	✓	4
Brittania Ind.	✓	✓	-	-	-	✓	3
Asian Paints	✓	✓	-	-	-	-	2
Dabur	✓	✓	-	-	✓	-	3
Nestle	✓	✓	✓	-	-	-	3
Bata	NM	NM	NM	NM	NM	NM	
RayBan	✓	✓	✓	✓	-	✓	5
Colgate	✓	-	-	-	-	-	1
Total	9	8	3	1	1	4	

In the information related to the top FMCG companies and their listing on the different stock exchange, out of ten companies 9 companies are registered on the Bombay Stock Exchange and 8 companies are listed on the National Stock Exchange. Total 3 companies have registered their stock on the Delhi Stock Exchange While 1 company has registered their stock on the Calcutta Stock Exchange and Foreign Stock Exchange. Out of ten companies 4 companies are having their stock listed on the foreign Stock exchange. Bata company has NOT MENTIONED the listing on the Stock Exchange.

D Sector of the company :

The various sector in the economy represent their own culture and system. This information has been given below.

(I) Table 2.10.4.1**I Disclosure about sector wise category of Overall top ten companies**

Company	PSU	Private	Joint	MNCs
Reliance Ind.		✓	-	-
Wipro Ltd.		✓	-	-
Infosys		✓	-	-
ITC	✓	✓	-	-
HDFC		✓	-	-
ICICI Bank		✓	-	-
Bharti Ent.		✓	-	-
Dr. Reddy's lab		✓	-	-
Ranbaxy		✓	-	-
HLL	-	✓	-	-
Total	1	9	-	-

The sector wise category of the overall top ten companies reveals that out of total ten companies 9 companies are Private Sector companies while 1 company is Public Sector Undertaking.

(II) Table 2.10.4.2**II Disclosure about sector wise category of top IT companies**

Company	PSU	Private	Joint	MNCs
Info tech	-	✓	-	-
Patni	-	✓	-	-
NIIT	-	✓	-	-
Mastek	-	✓	-	-
Zensar	-	✓	-	-
HCL	-	✓	-	-
Sonata	-	✓	-	-
Mrotek	-	✓	-	-
Javelin Tech	-	✓	-	-
Tata InfoTech	-	✓	-	-
Total	-	10	-	-

The data collected by the researcher related to the Sector wise category of top IT companies shows that out of total ten companies all companies are of Private Sector companies and they have private ownership.

(III) Table 2.10.4.3

Disclosure about sector wise category of top Pharma and health care companies

Company	PSU	Private	Joint	MNCs
Novartis	-	✓	-	-
Cipla	-	✓	-	-
Bio Con	-	✓	-	-
Cadila	-	✓	-	-
Merck	-	✓	-	-
Pharmacia	-	✓	-	-
Glaxo Smith Kline	-	✓	-	-
Lupin	-	✓	-	-
Pfizer	-	✓	-	-
Aventis	-	✓	-	-
Total	-	10	-	-

The information related to the Sector wise category reveals that out of ten Pharma and health care companies all companies are of Private Sector companies.

(IV)

Table 2.10.4.4

Disclosure about sector wise category of top Banking and financial service sector companies

Company	PSU	Private	Joint	MNCs
Corporation Bank	✓	-	-	-
UCO Bank	✓	-	-	-
Karur Vysya Bank		✓	-	-
Kotak Mahindra Bank	-	✓	-	-
Bank of Maharastra	✓	-	-	-
Allahbad Bank	✓	-	-	-
The Karnataka Bank	✓	-	-	-
Reliance Capital	-	✓	-	-
Global Trust Bank	-	✓	-	-
Bank of Punjab	-	✓	-	-
Total	5	5	-	-

The information related to the sector wise category of Banking firms reveals that out of total ten banks 5 banks belong to the Public sector undertaking while the rest of the 5 companies belong to the private companies .

(V)

Table 2.10.4.5

Disclosure about sector wise category of top FMCG companies

Company	PSU	Private	Joint	MNCs
Navneet Publication	-	✓	-	-
Titan	-	✓	-	-
Nirma	-	✓	-	-
Brittania Ind.	-	✓	-	-
Asian Paints	-	✓	-	-
Dabur	-	✓	-	-
Nestle	-	-	-	✓
Bata	-	-	-	✓
RayBan	-	-	-	✓
Colgate	-	✓	-	-
Total	-	7	-	3

The data related to the sector wise category of the top FMCG companies reveals that total 7 companies are private sector companies while 3 companies are MNC i.e. Multi National Company.

E ISO certificates & Award

ISO certification and award can give the idea about consistent performance. For overall system related performance. For overall system related efficiency can be judge by the way of ISO certification

(I)

Table 2.10.5.1

Disclosure about the Awards and ISO certification of Overall top ten companies

Company	Awards	ISO(if any)
Reliance Ind.	4	ISO 9000-2000
Wipro Ltd.	NM	NM
Infosys	NM	-NM
ITC	27	NM
HDFC	NM	NM
ICICI Bank	9	NM
Bharti Ent.	9	NM
Dr. Reddy's lab	7	1400
Ranbaxy	12	NM
HLL	5	NM
Total	7	2

The information related to the Awards and International Standard Organization Certification of overall top ten companies reveals that out of total ten companies 7 companies have disclosed about the awards they have received in different category during the life of the company. About the ISO

certification only two of the companies have mentioned and received the ISO certification.

(II)

Table 2.10.5.2

Disclosure about the Awards and ISO certification of top IT companies

Company	Awards	ISO (if any)
Info tech	4	1400
Patni	NM	Yes(not specified)
NIIT	NM	NM
Mastek	NM	NM
Zensar	NM	Yes(not specified)
HCL	NM	Yes(not specified)
Sonata	NM	NA
Mrotek	NM	NA
Javelin	NM	NA
Tata Infotech	NM	NA
Total	1	4

The information related to the Awards and International Standard Organization Certification of top IT companies reveals that out of total ten companies 1 company has disclosed about the awards it has received in different category during the life of the company. About the ISO certification only 4 of the total ten companies have mentioned and received the ISO certification. Three companies have mentioned about the ISO certification but which certification is there is not mentioned.

(III)**Table 2.10.5.3**

Disclosure about the Awards and ISO certification of Pharma and health care companies

Company	Awards	ISO (if any)
Novartis	NM	NM
Cipla	NM	NM
Bio Con	NM	NM
Cadila	NM	Yes(Not specified)
Merck	NM	Yes (Not specified)
Pharmacia	NM	Yes (Not specified)
Glaxo Smith Kline	NM	NM
Lupin	NM	NM
Pfizer	1	NM
Aventis	2	NM
Total	2	3

The information related to the Awards and International Standard Organization Certification of top Pharma and health care companies reveals that out of total ten companies 2 company have disclosed about the awards they have received in different category during the life of the company. About the ISO certification only 3 of the total ten companies have mentioned and received the ISO certification.

Three companies have mentioned about the ISO certification but which certification is there, is not mentioned.

(IV)

Table 2.10.5.4

Disclosure about the Awards and ISO certification of Banking and financial service sector companies

Company	Awards	ISO (if any)
Corporation Bank	NM	NM
UCO Bank	NM	NM
KVB	NM	NM
Kotak Mahindra Bank	5	NM
Bank of Maharashtra	NM	NM
Allahbad Bank	NM	NM
The Karnatak Bank	NM	NM
Reliance Capital	NM	NM
Global Trust Bank	NM	ISO 900-2000
Bank of Punjab	NM	-
Total	1	1

In above table only one company has disclosed the information.

(V)

Table 2.10.5.5

Disclosure about the Awards and ISO certification of top FMCG companies

Company	Awards	ISO (if any)
Navneet Publication	1	NM
Titan	3	NM
Nirma	NM	NM
Brittania Ind.	NM	NM
Asian Paints	2	NM
Dabur	NM	NM
Nestle	NM	NM
Bata	NM	NM
RayBan	NM	NM
Colgate	NM	NM
Total	3	Nil

About the information of the Awards and the ISO certification of the top FMCG companies total 3 companies have disclosed about the Awards received in the different category while not a single company has ISO certification.

2.11 REFERENCE

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CHAPTER - 3

CG DISCLOSURE WITH REFERENCE TO BOARD AND MANAGEMENT STRUCTURE

As management of company owns by someone else than the owners, it becomes quite important to run business with maximum efficiency. Corporate level executive are responsible to manage the business and to disclose every single information related to it in front of shareholders. As owners they are quite unfamiliar from the business policy and roles. That is why Board of Director (B.O.D.) and management executives are responsible to manage unit with maximum efficiency.

Corporate governance practices are like guiding policies for corporate executives to run their business with accountability and transparency. The norm of corporate Governance practices includes various aspects, which are necessary to be followed by Board Of Directors. First, it emphasis on the type of Director who is holding the directorship position in the company. Whether the Director is executive director, non-executive director or an independent director "Executive director is one who has all the powers in his hands and liable to take decision of company" While, non-executive director is director, one who has rights of management of company but do not have final decision making authority. Independent director is one who is apart from getting remuneration and does not have any materialistic relationship with company.

Secondly, corporate governance practices include the aspect of nature of relationship of directors with company and among there selves. This includes since how long particular director is working in the company and whether he holds directorship in more than 15 companies other than

particular company. Hence, other related aspects included in corporate governance, which are related with Board and management structure, are as under,

- Percentage of independent director in total no of director
- Nature of chairmanship i.e. executive or, non executive
- Written code of conduct among Board Of Director.
- Formal policy for succession planning at senior levels of management
- Structural training programme for directors
- Existence of Board committees
- Attendance of Board of Directors in Board meetings and Board committee meetings.
- Information provided by the B.O.D. to the members of meeting
- Re appointment of any director if, he or she remain absent in more than 50% of the board meeting.
- Compliance officer's role

There are several systematic steps have been taken by the government through appointing the committee to specify the area of activities. The committees like 1) Rahul Bajaj Committee and Omkar Goswami committee. (2) Kumar Mangalam committee, and (3) Naresh chandara committee. These committees expressed and recommended action on it

Board of Directors always play an important roles in any organization. According to the main committees on this aspect, any member can be a member of Board of Director with maximum 15 units.

It is quite obvious that the B.O.D. may manipulate their position for the personal benefits. In the recent past, a number of legal cases were filed against both whole time and part time directors, holding them responsible for non-compliance with various laws, procedures and regulations. It is

therefore important to know that legal position of directors and the consequences of violation of corporate laws. Directors have at various times, been described as agents, trustees, or managing partners.

The board of directors is evaluated on the ground of their qualification type, their dedication in the company, their attendance in board committee as board meeting. Efficiency of management also depends upon how for it regulates the management of company.

Corporate governance practices in Indian corporate factor also emphasises on the how firm keeps its eye on each and every meeting whether it is annual general meeting. On board meeting or any other extraordinary general meeting. The board of company takes into consideration that the committee, which is held by the management, is regulated properly or not.

Various committees like Audit Committee, Remuneration Committee, Shareholders Grievance committee, Nomination committee and management committee, concentrate.

Audit committee is committee, which is responsible for the financial, and accounting aspects of the company. It looks in to the matter that whether the company follows all the accounting norms or not, it also checks that data or figures, projected in the accounts of various heads are not being manipulated.

Remuneration committee is the committee, which is most important committee as per corporate governance norms. This is mandatory as per the Kumar Mangalam Committee report presented by Kumar Mangalam Birla to Security Exchange Board of India. This committee calculates the remuneration paid to the Board of directors. It justifies the payment of company against work done by directors.

Shareholders grievance committee examines various claims raised by the shareholders are being entertained by the company in proper manner or not. Each and every company should have separate department for handling such complaints raised by the stakeholders.

It is also to be noted that these meetings are carried on particular time and at particular intervals. Board of director meetings must be held 6 times in year and 80% of the total meeting should be attended by the board member. The efficiency of the board and management also depends on what amount of transparency they keep with stockholders.

Some other matters like insider trading is prevented on not whether company keeps formal succession planning or not, whether structural training programmes are conducted or not. Apart from these aspects the researcher is also checking some of the minor aspects, which make major difference in the transparency. She has analyzed the sampled group through parameters like how many board meeting are held and before the meeting starts how much information is being sent to the board.

Board of directors is responsible to run the management of the company. Shareholders, who are real owners of the company expects transparency in operational aspects of the company.

Board of Directors of the company are responsible for transparent and official administration so, at every stages of administrative process, corporate governance code can help the BOD to bring the transparency in work considering the above ground, researcher has collected data regarding the functional aspects of the organization. Such as, total number of director, independent director nature of relationship category of chairman, code of conduct proportion of director, etc.

The researcher through corporate governance disclosure index has evaluated each of the parameter, which was included in annual report or disclosed anywhere.

$$\text{Corporate governance Index} = \frac{\text{Actual score}}{\text{Expected score}} \times 100$$

Further disclosed data are classified into highly disclosed, moderately disclosed and least disclosed categories. Now the researcher has analyzed each of the disclosure related to board and management structure, which includes 23 parameters.

I : Disclosure about management structure

The analysis of the board and management related to composition of board. This is related with, out total no of directors how many directors are independent in nature

(I) Table 3.2.1.1

Information about Board and Management Structure of Overall top 10 company.

Expected Score = 20

Company	Total number of Director	Score	Independent Director	Score	Total
Reliance Ind.	13	1	7	1	2
Wiper Ltd.	10	1	6	1	2
Ranbaxy	11	1	8	1	2
Dr. Reddy's Lab	11	1	7	1	2
ITC	13	1	7	1	2
ICICI Bank	18	1	12	1	2
Bharti Ent.	17	1	9	1	2
Infosys	15	1	4	1	2
HDFC	13	1	9	1	2
HLL	10	1	5	1	2
Total	-	10	-	10	20

This table reveals data of overall best companies Reliance has total 13 directors; out of which 7 directors are independent, In Wipro, total 10 directors are there, out of which 6 directors are independent. In Ranbaxy total 11 directors are there, out of which, 8 directors are independent. In Dr. Reddy's Lab total 11 directors are there, out of which 7 are independent. The data of ITC it reveals that, total 13 directors are there, out of which 7 are independent. About ICICI total 12 directors are independent out of 18 directors. In Bharati enterprise total 17 directors are there out of which 9 directors are independent. In Infosys total 15 directors are in management body out of which 4 directors are independent. In HDFC enterprise total 13 directors are there out of which 9 directors are independent. In HLL company total 5 directors are independent out of total 10 directors.

(II)

Table 3.2.1.2

Information about Board and Management Structure of IT companies

Expected Score = 20

Company	Total number of Directors	Score	Independent Directors	Score	Total
Info tech	7	1	4	1	2
Patni	10	1	5	1	2
NUT	8	1	4	1	2
Mastek	9	1	4	1	2
Zensar	9	1	3	1	2
HCL	11	1	6	1	2
Sonata	8	1	3	1	2
Mro tek	5	1	3	1	2
Javelin	6	1	5	1	2
Tata Infotech	8	1	4	1	2
Total	-	10	-	10	20

The Analysis of Board and Management structure of top IT companies reveal that company has 7 total directors out of which 4 directors are independent, In Patni total 10 directors are there out of which 5 directors are independent. In NIIT total 8 directors are there out of which 4 directors are independent. In Mastek total 9 directors are there out of which 4 are independent. When we see the data of Zensar it reveals that total 9 directors are there out of which 3 are independent. About HCL total 6 directors are independent out of 11 directors. In Sonata enterprise total 8 directors are there out of which 3 directors are independent. In Mro tek total 5 directors are in management body out of which 3 directors are independent. In Javelin technology total 6 directors are there out of which 5 directors are independent. In Tata Infotech company total 4 directors are independent out of total 8 directors.

(III)

Table 3.2.1.3

Information about Board and Management Structure of Pharma & Health Care companies.
Expected Score = 20

Company	Total number of Directors	Score	Independent directors	Score	Total
Novaltis	7	1	5	1	2
Cipla	10	1	7	1	2
Bio Con	7	1	4	1	2
Cadila	8	1	6	1	2
Merck	9	1	3	1	2
Pharmacia	7	1	3	1	2
Glaxo Smith Kline	12	1	5	1	2
Lupin	9	1	6	1	2
Pfizer	11	1	7	1	2
Aventis	12	1	3	1	2
Total	-	10	-	10	20

The Analysis of Board and Management structure reveals that Novartis has 7 total directors out of which 5 directors are independent. Same as in Cipla total 10 directors are there out of which 7 directors are independent. In Biocon total 7 directors are there out of which 4 directors are independent. In Cadila total 8 directors are there out of which 6 are independent. When we see the data of Merck it reveals that total 9 directors are there out of which 3 are independent. About Pharmacia total 3 directors are independent out of 7 directors. In Glaxo Smithkline enterprise total 12 directors are there out of which 5 directors are independent. In Lupin total 9 directors are in management body out of which 6 directors are independent. In Pfizer enterprise total 11 directors are there out of which 7 directors are independent. In Aventis company total 3 directors are independent out of total 12 directors.

(IV) Table 3.2.1.4

Information about Board and Management Structure of Banking & Financial Services companies Expected Score = 20

Company	Total number of Directors	Score	Independent Directors	Score	Total
Corporation Bank	12	1	10	1	2
UCO Bank	12	1	6	1	2
Karur vysya Bank	8	1	4	1	2
Kotak Mahindra Bank	10	1	4	1	2
Bank of Maharastra	13	1	11	1	2
Allahbad Bank	12	1	6	1	2
The Karnatak Bank	10	1	10	1	2
Reliance Capital	7	1	3	1	2
Global trust Bank	11	1	9	1	2
Bank of Punjab	11	1	8	1	2
Total	-	10	-	10	20

As the Analysis of Board and Management structure of top Banking and financial service sector units reveals that corporation bank have 12 total directors out of whom 10 directors are independent. Same as in Uco Bank total 12 directors are there out of which 6 directors are independent. In Karur Vysya bank total 8 directors are there out of which 4 directors are independent. In Kotak Mahindra total 10 directors are there out of which 4 are independent. The data of Bank of Maharashtra reveals that total 13 directors are there out of which 11 are independent. About Allahabad Bank total 6 directors are independent out of 12 directors. In Karnataka Bank enterprise total 10 directors are there out of which 10 directors are independent. In Reliance Capital total 7 directors are in management body out of which 3 directors are independent. In Global Trust Bank total 11 directors are there out of which 9 directors are independent. In Bank of Punjab total 8 directors are independent out of total 11 directors.

(V) **Table 3.2.1.5**

Information about Board and Management Structure of FMCG companies.
Expected Score = 20

Company	Total number of Directors.	Score	Independent Directors	Score	Total
Navneet Publication	18	1	5	1	2
Titan	7	1	4	1	2
Nirma	10	1	4	1	2
Brittania Ind.	10	1	6	1	2
Asian Paints	16	1	7	1	2
Dabur	10	1	4	1	2
Nestle	7	1	3	1	2
Bata	12	1	6	1	2
RayBan	8	1	3	1	2
Colgate	9	1	4	1	2
Total		10		10	20

As the Analysis of Board and Management structure reveals of Finance companies reveals that Navneet has 18 total directors out of which 5 directors are independent. Same as in Titan total 7 directors are there out of which 4 directors are independent. In Britannia total 10 directors are there out of which 4 directors are independent. In Nirma total 10 directors are there out of which 6 are independent. When we see the data of Asian Paints it reveals that total 16 directors are there out of which 7 are independent. About Dabur total 4 directors are independent out of 10 directors. In Nestle enterprise total 7 directors are there out of which 7 directors are independent. In Bata total 12 directors are in management body out of which 6 directors are independent. In Rayban total 8 directors are there out of which 3 directors are independent. In Colgate company total 4 directors are independent out of total 9 directors.

(VI)

Table 3.2.1.6
Comparative Analysis

Group	Expected Score		Actual Score		Total
	Total Director	Independent director	Total Director	Independent Director	
Overall Top ten	10	10	10	10	20
IT	10	10	10	10	20
Pharma	10	10	10	10	20
Banking	10	10	10	10	20
Finance	10	10	10	10	20
Total	50	50	50	50	100

$$\text{Corporate Governance disclosure Index} = \frac{100}{100} \times 100$$

$$= 100\%$$

Above analysis reveals that all the companies in this group had disclosed complete information related to independent director.

II Nature of Relationship

The nature of relationship among the directors of company is important aspect of with CG practices one can observed that the Board of director should be clear which the type of relationship they have with the company and with the management as well as the subsidiaries. Specially, in the corporate governance it is to be clarified that as the management and the ownership are separated, it has to be very necessary that Board of director should not deviate the rules of the code of conduct.

It was specified in the Report presented by the Kumarmangalam committee report that the Board of director, if appointed in the company as the Chairman or as the Director and has the same position in other company but, having the membership in the Compensation committee which decides the remuneration of the board of director as well as the chairman of the company and it is to be observed that they can influence their payment. So in front of the stake holders it should be clarified that which director has such position.

For the purpose of the research the sample of the top companies where the data is not available completely; but as per the information mentioned, the data have been.

The categories for the Nature of he relationship are taken in the following way. Disclosure about nature of the relationship among the directors of overall top ten companies.

1. Employed with company in the last five year.
2. Employed with subsidiaries in the last 5 years

3. Associated with another company which has significant business interest in which the incumbent is the director
4. Acceptance of the compensation either from the board or from any of the subsidiaries other than the compensation for the board.
5. Membership of the immediate family of an executive of the company
6. An employee of the company to which director belongs, sits on the compensation Committee of another company in which director is appointed as an executive.
7. Consultancy or the advisory or the personal service contract with the company, its executive officers or affiliates.

(I)

Table 3.2.2.1

Disclosure about nature of the relationship among the director of overall top ten companies.

Expected Score = 70

	Reliance Ind.	Score	Wipro Ltd.	Score	Infosys	Score	ITC	Score	HDFC	Score	ICICI Bank	Score	Bharati Tele.	Score	Dr. Reddy's Lab	Score	Ranbaxy	Score	HLL	Score
1. Employed with the company In the last five years	5	1	3	0	10	1	NM	0	8	1	NM	0	5	1	5	1	5	1	7	1
2. Employed with the subsidiary (ies) of the company in the past five years	2	1	NM	0	5	1	NM	0	NM	0	NM	0	NM	0	NM	0	4	1	2	1
3. Association with another company which has significant business relationship with the company in which the incumbent is a director.	3	1	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	3	1	NM	0

4. Acceptance of compensation either from the company or any of its subsidiaries other than compensation for the board.	3	1	NM	0	0	NM	0	0	0	NM	0	0	NM	0
5. Membership of the immediate family of an executive of the company.	2	1	NM	0	0	2	1	NM	0	0	0	0	NM	0
6. An employee of the company to which the director belongs, sits on the compensation committee of another company in which director is employed as an –executive.	N M	0	NM	0	0	0	0	NM	0	0	0	0	NM	0

7. Consultancy / Advisory or personal service contract with the company, its executive officer or affiliates.	N M	0		0	NM	0	NM	0	NM	0	NM	0	NM	0	N M	0	NM	0	
Total		5		0		3		0			0		1			2		3	2

The above table reveals data of the overall top ten companies, that Reliance, Ranbaxy, DR.,Reddys lab, Bharti Enterprise, Infosys , HDFC , and HLL are having the respective data in the Nature of he relationship when mentioned that . Employed with last 5 years with the company in which the B.O.D. are 5,5,5,5,10, 8, and 7 respectively. While the companies like Wipro, ITC, and ICICI, have NOT MENTIONED the data. In the second category of the relation Reliance, Infosys Ranbaxy and Hindustan lever has 2,4,5,and 2 directors respectively. While the other companies like Wipro, ITC, ICICI, HDFC, Dr. Reddys lab & Bharti Enterprise the data are not mentioned. In the 3rd category Reliance & Ranbaxy have mentioned the data which includes the B.O.D. as 3 and 3 respectively. Other companies have not mentioned the data. In the 4 category only Reliance have presented the information and that is B.O.D. is 3 in the category. In the 5th category Reliance, Ranbsaxy and Dr. Reddys lab has no. of B.O.D. as 2,2,2 respectively and in the 6 & 7th category not a single company has mentioned the data.

(II)**Table 3.2.2.2**

Disclosure about nature of the relationship among the directors of IT companies

(Expected score =70)

	Infotech	Score	Patni	Score	NIIT	Score	Mastek	Score	Zensar	Score	HCL	Score	Sonata	Score	Mrotek	Score	Javelin	Score	Tata Infotech	Score
1. Employed with the company In the last five years	NM	0	4	1	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0
2. Employed with the subsidiary (ies) of the company in the past five years	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0
3.Association with another company which has significant business relationship with the company in which the incumbent is a director.	NM	0	3	1	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0

As the data mentioned in the table discloses the fact that the company's board have what kind of relationship with the company as well as the rest of the management. As data reveals that the in the first category of nature of relationship where the criteria is there as employed with company from last 5 years, in that Patni company has 4 directors And in the rest of the companies like Infotech, NIIT, Tata infotech, sonata, HCL, Merotek, Mastek, Javelin, and Zensar, the data are not disclosed.

In the second category not a single company has disclosed the data like patni, Infotech, NIT, Tata infotech, sonata, HCL, Merotek, Mastek, Javelin, and Zensar. In the third category, which related to the associated with another company, which has significant business relationship in that only Patni has 3 director who have significant business relationship. While rest of the companies like Infotech, NIIT, Tata infotech, sonata, HCL, Merotek, Mastek, Javelin, and Zensar have not disclosed the data. In the forth category related to the Acceptance of the compensation from the other company not a single company like Infotech, NIIT, Tata Infotech, sonata, HCL, Merotek, Mastek, Javelin, and Zensar has disclosed the data

In the 5th category when related to the membership of the immediate family where only patni company has disclosed the data of the 3 directors while the others have not mentioned the information has disclosed the data In the 6th and 7th category not a single company has disclosed the data the company like patni, Infotech, NIIT, Tata infotech, sonata, HCL, Merotek, Mastek, Javelin, and Zensar.

(III)

Table 3.2.2.3

Disclosure about nature of the relationship among the directors of Pharma and Health Care Companies.

(Expected score =70)

	Noventis	Score	Cipla	Score	Bio Con	Score	Score	Cadi la	Score	Merck	Score	Phar micia	Score	GS	Score	Lupin	Score	Pfizer	Score	Aven tis	Score
1. Employed with the company In the last five years	NM	0	NM	0	NM	0	0	NM	0	NM	0	3	1	NM	0	NM	0	NM	0	5	1
2. Employed with the subsidiary (ies) of the company in the past five years	NM	0	NM	0	NM	0	0	NM	0	NM	0	4	1	NM	0	NM	0	NM	0	1	1
3. Association with another company which has significant business relationship with the company in which the incumbent is a director.	NM	0	NM	0	NM	0	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	3	1

4. Acceptance of compensation either from the company or any of its subsidiaries other than compensation for the board.	NM	0	NM	0	0	NM	0	0	NM	0	0	0	NM	0	0	NM	0	0	NM	0	0	0	1	1
5. Membership of the immediate family of an executive of the company.	NM	0	NM	0	0	NM	0	0	NM	0	0	0	NM	0	0	NM	0	0	NM	0	0	0	0	0
6. An employee of the company to which the director belongs, sits on the compensation committee of another company in which director is employed as an –executive.	NM	0	NM	0	0	NM	0	0	NM	0	0	0	NM	0	0	NM	0	0	NM	0	0	0	0	0
7. Consultancy / Advisory or personal service contract with the company, its executive officer or affiliates.	NM	0	NM	0	0	NM	0	0	NM	0	0	0	NM	0	0	NM	0	0	NM	0	0	0	0	0
Total		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4

As the data mentioned in the table discloses the fact that the companies board have what kind of relationship with the company as well as the rest of the management. As data reveals that the in the first category of nature of relationship where the criteria is there as employed with company from last 5 years, in that Pharmacia company has 3 and Aventis has 5 directors working since last 5 years in the company.

And in the rest of the companies like Novartis, Cipla, Cadila, Merck, Biocon, Pfizer, Glaxo Smithkline, & Lupin the data are not disclosed. In the second category the companies like Pharmacia and Aventis have 3 and 5 directors respectively while other companies like have not disclosed the companies like Novartis, Cipla, Cadila, Merck, Biocon, Pfizer, Glaxo smithkline, & Lupin the data are not disclosed.

In the third category which related to the associated with another company which has significant business relationship in that only Aventis has 1 director who have significant business relationship. While rest of the companies like Novartis, Cipla, Cadila, Merck, Biocon, Pfizer, Glaxo smithkline,& Lupin have not disclosed the data. In the forth category related to the Acceptance of the compensation from the other company not a single company has disclosed the data.

In the 5th category when related to the membership of the immediate family where not the single company has disclosed the data.

Has disclosed the data In the 6th and 7th category not a single company has disclosed the data the company like Novartis, Cipla, Cadila, Merck, Biocon, Pfizer, Glaxo smithkline, Lupin and Aventis have not disclosed the data.

(IV)

Table 3.2.2.4

Disclosure about nature of relationship among directors of Banking and Financial services Companies.

(Expected score =70)

	Corpo. Bank	Score	UCO Bank	Score	KVB	Score	KM B	Score	BOM	Score	AB	Score	TKB	Score	RC	Score	GTB	Score	BOP	Score
1. Employed with the company In the last five years	NM	0	NM	0	5	1	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0
2. Employed with the subsidiary (ies) of the company in the past five years	NM	0	NM	0	NM	0	NM	0	NM	0	4	1	NM	0	NM	0	NM	0	NM	0
3.Association with another company which has significant business relationship with the company in which the incumbent is a director.	7	1	NM	0	2	1	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	3	1

4. Acceptance of compensation either from the company or any of its subsidiaries other than compensation for the board.	NM	0	NM	0	1	4	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0
5. Membership of the immediate family of an executive of the company.	NM	0	NM	0	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0
6. An employee of the company to which the director belongs, sits on the compensation committee of another company in which director is employed as an –executive.	NM	0	NM	0	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0
7. Consultancy / Advisory or personal service contract with the company, its executive officer or affiliates.	NM	0	NM	0	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0
Total		1			3		0		0		0		0		0		0		0

As the data mentioned in the table discloses the fact that the companies board have what kind of relationship with the company as well as the rest of the management.

As data reveals that the in the first category of nature of relationship where the criteria is there as employed with company from last 5 years, in that KarurVaysya Bank 5 directors, And in the rest of the bsnks and financial institutions like Corporation Bank, Uco bank, Reliance capital, Kotak Mahindra Bank, Bank of maharastra, Bank of Punjab, Allahabad bank, Global trust bank have not disclosed the data.

In the second category not the single company has disclosed the data of the banks like Corporation Bank, Uco bank, Reliance capital, Kotak Mahindra Bank, Bank of Maharastra, Bank of Punjab, Allahabad bank, Global Trust Bank and Karur Vysya bank. In the third category which related to the associated with another company which has significant business relationship in that only Karur Vysya bank has 2 director who have significant business relationship. While rest of the companies like Corporation Bank, Uco bank, Reliance capital, Kotak Mahindra Bank, Bank of Maharastra, Bank of Punjab, Allahabad bank, Global trust have not disclosed the data.

In the forth category related to the Acceptance of the compensation from the other company only Karurvysya bank has 4 directors while other banks like Corporation Bank, Uco bank, Reliance capital, Kotak Mahindra Bank, Bank of Maharastra, Bank of Punjab, Allahabad bank, Global trust has disclosed the data.

In the 5th category when related to the membership of the immediate family all the banks have not disclosed the information.

In the 6th and 7th category not a single company has disclosed the data the company like Corporation Bank, Uco bank, Reliance capital, Kotak Mahindra Bank, Bank of Maharastra, Bank of Punjab, Allahabad bank, Global trust and Karur Vysya bank have not disclosed the data.

(V)

Table 3.2.2.5

Disclosure about nature of relationship among directors of FMCG companies.

(Expected score =70)

	Navneet Pub.	Score	Titan	Score	Nirma	Score	Brittania Ind.	Score	Asian Paints	Score	Dabur	Score	Nestle	Score	Bata	Score	RayBan	Score	Colgate	Score
1. Employed with the company In the last five years	NM	0	2	1	4	1	NM	0	NM	0	NM	0	NM	0	5	1	4	1	NM	0
2. Employed with the subsidiary (ies) of the company in the past five years	NM	0	5	1	NM	0	NM	0	NM	0	4	1	NM	0	3	1	NM	0	2	1
3.Association with another company which has significant business relationship with the company in which the incumbent is a director.	7	1	5	1	NM	0	NM	0	NM	0	NM	0	NM	0	3	1	3	1	1	1

As the data mentioned in the table discloses the fact that the company's board have what kind of relationship with the company as well as the rest of the management. As data reveals that the in the first category of nature of relationship where the criteria is there as employed with company from last 5 years, in that the companies like Titan, Nirma Bata, & Rayban have the B.O.D. directors have 2, 4, 5, and 4 directors respectively. And in the rest of the companies like Navneet, Britannia, Dabur ,Nestle and Rayban data are not disclosed. In the second category of the employed with the subsidiaries, the companies like titan, Bata, and Colgate has no. of B.O.D. like 5, 3, and 1 respectively and rest of the companies have not disclosed the data like Navneet, Britannia, Dabur, Nestle, Rayban, Dabur, & Asian paints. In the third category which related to the associated with another company which has significant business relationship in that the companies like Titan, Bata, Ray ban and Colgate have disclosed the data which states that the No. of B.O.D. are 5,3,3, and 1 respectively. Who have significant business relationship? While rest of the companies like Navneet, Britannia, Dabur, Nestle have not disclosed the data. In the forth category related to the Acceptance of the compensation from the other company only one company has disclosed the data i.e. Bata which has 2 directors other companies have not disclosed the information has disclosed the data the companies like Navneet, Britannia, Dabur, Nestle, Rayban, Dabur, Titan, Nirma & Asian paints In the 5th category when related to the membership of the immediate family where only Colgate company has disclosed the data of the 1 director while the others have not mentioned the information

In the 6th and 7th category not a single company has disclosed the data the company like Navneet, Britannia, Dabur, Nestle, Rayban, Titan, Nirma, Asian paints, Bata and Colgate.

Research has analyzed, from the sampled group, the nature of relationship among the directors and B.O.D. with company and subsidiaries.

(VI)

Table 3.2.2.6
Comparative Analysis of Disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	70	17
2)	IT	70	2
3)	Pharma and health care	70	6
4)	Banking and financial service	70	4
5)	FMCG	70	14
Total		350	44

$$\text{Corporate Governance Index} = \frac{44}{350} \times 100$$

$$\text{Index} = 12.29\%$$

Above table of comparative analysis reveals that the disclosed data are quite less than average of 50%, thus in the disclosure of nature of relationship of directors the group companies have been least disclosed this parameter disclosure about category of chairman.

III Disclosure about category of chairman

The analysis of category of chairman reveals that whether company has executive chairman or non-executive chairman. Executive chairman is one who has all the rights and powers of decision-making and interest in holding company's management in his control. While non-executive director, except holding the chairmanship position, does not have any other director power.

(I)

Table 3.2.3.1

Disclosure about category of chairman of overall top ten companies.

Expected Score = 10

Company	Executive Chairman	Non Executive Chairman	Score
Reliance Ind.	✓	–	1
Wipro Ltd.	✓	–	1
Infosys	✓	–	1
ITC	✓	–	1
HDFC	✓	–	1
ICICI Bank	–	–	1
Bharti Ent.	✓	–	1
Dr. Reddy's lab	✓	–	1
Ranbaxy	–	✓	1
HLL	✓	–	1
Total	8	2	10

As the data mentioned above, the companies in overall best performance have two categories of chairman. Out of which Reliance, Wipro, Infosys, ITC, HDFC, Bharti Enterprise Dr. Reddy's Lab and correct LL have Executive chairmanship while the companies namely ICICI and Ranbaxy have non executive chairman.

(II)

Table 3.2.3.2

Disclosure about category of chairman of top IT Companies.

Expected Score = 10

Company	Executive Chairman	Non Executive Chairman	Score
Info tech	✓	–	1
Patni	✓	–	1
NIIT	✓	–	1
Mastek	✓	–	1
Zensar	–	✓	1
HCL	✓	–	1
Sonata	–	✓	1
Mortek	✓	–	1
Javelin	✓	–	1
Tata Infotech	✓	–	1
Total	8	2	10

As the data mentioned above, the companies in IT Business have two categories of chairman. Out of which Infotech, Patni, NIIT, MASTEK,

HCL, MROTEK, Javelin, and TATA Infotech have Executive chairmanship while the companies namely Zensar and Sonata have non-executive chairman.

(III)

Table 3.2.3.3

Disclosure about category of chairman of top Health Care Companies.
Pharam and Health Care Companies.

Expected Score = 10

Company	Executive Chairman	Non Executive Chairman	Score
Novarties	–	✓	1
Cipla	✓	–	1
Bio Con	✓	–	1
Cadila	✓	–	1
Merck	–	✓	1
Pharmacia	–	✓	1
Glaxo Smith Kline	–	✓	1
Lupin	✓	–	1
Pfizer	–	✓	1
Aventis	–	✓	1
Total	4	6	10

As the data mentioned above, the companies in Pharma and health care companies have two categories of chairman. Out of which Cipla, Biocon, Cadila and Lupin have Executive chairmanship while the companies namely Novartis, Merck, Pharmacia, Glaxo Smithksline, Pfizer and Aventis have non executive chairman.

(IV)

Table 3.2.3.4

Disclosure about category of chairman of top Banking & financial services Companies.
Expected Score = 10

Company	Executive Chairman	Non Executive Chairman	Score
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
Karur Vysya Bank	✓	–	1
Kotak Mahindra Bank	–	✓	1
Bank of Maharashtra	✓	–	1
Allahabad Bank	✓	–	1
The Karnatak Bank	✓	–	1
Reliance Capital	–	✓	1
Global Trust Bank	✓	–	1
Bank of Punjab	–	✓	1
Total	7	3	10

As the data mentioned above, the companies in Banking and financial services sector has two categories of chairman. Out of which Corporation Bank, Uco Bank, KarurVysya Bank, Bank of Maharashtra, Allahabad Bank, Karanataka Bank, and Global Trust Bank have Executive chairmanship while the units namely Kotak Mahindra Bank, Reliance Capital and Bank of Punjab have non executive chairman.

(V)

Table 3.2.3.5

Disclosure about category of chairman of FMCG Companies.

Expected Score = 10

Company	Executive Chairman	Non Executive Chairman	Score
Navneet Publication	–	✓	1
Titan	–	✓	1
Nirma	✓	–	1
Brittania Ind.	–	✓	1
Asian Paints	✓	–	1
Dabur	–	✓	1
Nestle	✓	–	1
Bata	–	✓	1
RayBan	–	✓	1
Colgate	–	✓	1
Total	3	7	10

As the data mentioned above, the companies in FMCG sector has two categories of chairman. Out of which Nirma, Asian Paints and Nestle have executive chairmanship while the companies namely Navneet, Titan, Britannia, Dabur, Bata, Rayban, and Colgate have non executive chairman.

(VI)

Table 3.2.3.6

Comparative analysis of disclosure

Groups	Total expected Disclosure score	Actual Score
Overall top ten	10	10
IT company	10	10
Pharma and Health care companies	10	10
Banking and financial services	10	10
FMCG	10	10
Total	50	50

$$\begin{aligned}
 \text{Corporate Governance Index} &= \frac{50}{100} \times 100 \\
 &= 100 \%
 \end{aligned}$$

Above disclosure as evaluated through corporate governance index by the researcher. Who has come to the information that disclosure regarding category of chairman in sampled companies is 100% in sampled companies is 100% and which is best disclosure.

IV Disclosure about category of Chairman and independent director

As per the corporate Governance norms if chairman is executive there should be at least 50% independent director exist in Board and if category of chairman is non executive, there should be at least 1/3rd independent directors out of total directors.

(I)

Table 3.2.4.1

Disclosure about proportion of independent director and category of chairman of overall top ten companies

Expected Score = 20

Company	Executive chairman	Points	No of Independent director	Points	Non executive chairman	Points	No. of independent director	Points	Total score points
Reliance Ind.	✓	1	7	1	–		–		2
Wipro Ltd.	✓	1	6	1	–		–		2
Infosys	✓	1	8	1	–		–		2
ITC	✓	1	7	1	–		–		2
HDFC	✓	1	9	1	–		–		2
ICICI Bank			–		✓	1	12	1	2
Bharti Enter	✓	1	9	1	–		–		2
Dr. Reddy's lab	✓	1	7	1	–		–		2
Ranbaxy		–	–		✓	1	7	1	2
HLL	✓	1	5	1	–		–		2
Total	8	8		8	2	2	2		20

Reliance corporate has executive chairman and no. of independent directors is 7. On the other hand Wipro possess executive chairman with 6 independent directors. Infosys has executive chairman having 8 independent directors. ITC possess executive chairman with 7 independent directors. HDFC has executive chairman with 9 independent directors. While ICICI has non executive chairman with 12 independent directors. Bharti Enterprise has executive chairman and no. of independent directors is 9. Dr. Reddy Lab has also executive chairman with 7 independent directors. While Ranbaxy has non executive chairman and no. of independent directors is 7. At last HLL possess executive chairman with 5 independent directors.

(II)

Table 3.2.4.2

Disclosure about proportion of independent director and category of chairman of best IT companies.

Expected Score = 20

Company	Executive chairman	Points	No of Independent director	Points	Non executive chairman	Points	No. of independent director	Points	Total score
Info Tech	✓	1	4	1	-	-	-	-	2
Patni	✓	1	5	1	-	-	-	-	2
NIIT	✓	1	4	1	-	-	-	-	2
Mastek	✓	1	4	1	-	-	-	-	2
Zensar	-	-	-	-	✓	1	3	1	2
HCL	✓	1	6	1	-	-	-	-	2
Sonata	-	-	-	-	✓	1	3	1	2
Mrotek	✓	1	3	1	-	-	-	-	2
Javelin	✓	1	5	1	-	-	-	-	2
Tata Infotech		1	4	1	-	-	-		2
Total		8		8		2		2	20

Infotech has executive chairman and no. of independent directors is 4. On the other hand Patni possess executive chairman with 5 independent directors. NIIT has executive chairman having 4 independent directors. Mastek possess executive chairman with 4 independent directors. Zensar has non executive chairman with 3 independent directors. While HCL has executive chairman with 6 independent directors. Sonata has non executive chairman and no. of independent directors is 3. MROTEK has executive chairman with 3 independent directors. While Javelin has executive chairman and no. of independent directors is 5. At last TATA infoteck possess executive chairman with 4 independent directors.

(III)**Table 3.2.4.3**

Disclosure about proportion of independent director and category of chairman of Pharma and Health Care companies.

Expected Score = 20

Company	Executive chairman	Points	No of Independent director	Points	Non executive chairman	Points	No. of independent director	Points	Total score
Novarties	-	-	-		✓	1	5	1	2
Cipla	✓	1	7	1	-	-	-	-	2
Bio Con	✓	1	4	1	-	-	-	-	2
Cadila	✓	1	6	1	-	-	-	-	2
Merck	-	-	-	-	✓	1	3	1	2
Pharmacia	-	-	-	-	✓	1	3	1	2
Glaxo Smith Kline	-	-	-	-	✓	1	5	1	2
Lupin	✓	1	6	1	-	-	-	-	2
Pfizer	-	-	-	-	✓	1	7	1	2
Aventis	-	-	-	-	✓	1	3	1	2
Total		8		8		2		2	20

As the data mention above table reveals that out of total 10 pharma companies four companies have executive chairman while six companies have non executive chairman. All the companies in the above mentioned table have disclosed the information thus corporate governance disclosure is 100%.

(IV)

Table 3.2.4.4

Disclosure about proportion of independent director and category of chairman of best Banking and financial service sector units. Expected Score = 20

Company	Executive chairman	Points	No of Independent director	Points	Non executive chairman	Points	No. of independent director	Points	Total score
Corpo.Bank	✓	1	10	1	–		–		2
UCO Bank	✓	1	6	1	–		–		2
KarurVysya Bank	✓	1	4	1	–		–		2
Kotak Mahindra Bank	–	–		–	✓	1	4	1	2
Bank of Maharastra	✓	1	11	1	–	–	–	–	2
Allahbad Bank	✓	1	6	1	–	–	–	–	2
Karnatak Bank	✓	1	10	1	–	–	–	–	2
Reliance Capital	–	–	–	–	✓	1	3	1	2
GTB	✓	1	9	1	–	–	–	–	2
Bank of Punjab	–	–	–		✓	1	8	1	2
Total		7		7		3		3	20

Corporation Bank has executive chairman and no. of independent directors is 10. On the other hand UCO Bank also posses executive chairman with 6 independent directors. KVB has executive chairman having 4 independent directors. While Kotak Mahindra Ban possess non executive chairman with 4 independent directors. Bank of Maharashtra has executive chairman with 11 independent directors. Allahbad Bank has also executive chairman with 6 independent directors. Allahabad Bank has also executive chairman with 6 independent directors. The Karnataka Bank has also executive chairman and no. of independent directors is 10. On the other hand Reliance Capital has executive chairman with 3 independent directors. While Global trust bank has executive chairman and no. of independent directors is 9. At last Bank of Punjab possess non executive chairman with 8 independent directors.

(V)

Table 3.2.4.5

Disclosure about proportion of independent director and category of chairman of best FMCG companies.

Expected Score = 20

Company	Executive chairman	Points	No of Independent director	Points	Non executive chairman	Points	No. of independent director	Points	Total score
Navneet Publication	–	–	–	–	✓	1	5	1	2
Titan	–	–	–	–	✓	1	4	1	2
Nirma	–	–	–	–	✓	1	4	1	2
Brittania Ind.	✓	✓	6	1	–	–	–	–	2
Asian Paints	✓	✓	7	1	–	–	–	–	2
Dabur	–	–	–	–	✓	1	4	1	2
Nestle	✓	✓	3	1	–	–	–	–	2
Bata	–	–	–	–	✓	1	6	1	2
RayBan	–	–	–	–	✓	1	3	1	2
Colgate	–	–	–	–	✓	1	4	1	2
Total		3		3		7		7	20

Navneet enterprise has non executive chairman and no. of independent directors is 5. On the same hand. Titan possess non executive chairman with 4 independent directors. Brittania has also non executive chairman having 4 independent directors. On the other hand Nirma possess executive chairman with 6 independent directors. Asian paints has executive chairman with 7 independent directors. While Dabur non executive chairman with 4 independent directors. Nestle has executive chairman and no. of independent directors is 3. While Bata has non executive chairman with 6 independent directors. Rayban also has non executive chairman and no. of independent directors is 3. At last Colgate also possess non executive chairman with 4 independent directors.

Researcher has surveyed and has drains following data.

(VI)

Table 3.2.4.6

Comparative analysis of Disclosure

Group	Expected score of Disclosure	Actual Score
Overall top ten	20	20
IT	20	20
Pharma & Health Care	20	20
Banking and financial Service	20	20
FMCG	20	20
Total	100	100

100

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{\quad}{100} \times 100 \\ &= 100 \%\end{aligned}$$

Above mentioned disclosure has 100% index that explains that it has good corporate governance disclosure.

V Proportion of Independent director to the total director.

The B.O.D. comprises of several directors, out of which how much composition is covered by independent directors is more important to check whether corporate governance norms are followed by companies or not.

(I)

Table 3.2.5.1

Disclosure about Proportion of independent director to the total no of director of overall top ten companies.

Expected Score = 10

Company	Up to 49%	Score	50- 59%	Score	60- 69%	70- 79%	80- 89%	90% More	Score
Reliance Ind.	—	—	✓	1	—	—	—	—	1
Infosys	—	—	✓	1	—	—	—	—	1
Wiper	—	—	✓	1	—	—	—	—	1
HLL	—	—	✓	1	—	—	—	—	1
ITC	—	—	—		—	✓	—	—	1
Ranbaxy	—	—	—		✓	—	—	—	1
HDFC	—	—	✓	1	—	—	—	—	1
ICICI	—	—	—		✓	—	—	—	1
Bharti Enterprise	—	—	—		✓	—	—	—	1
Dr. Reddy's lab	—	—	✓	1	—	—	—	—	1
Total	—	—	6		3	1	—	—	10

The data mentioned above reveals that the companies have their directors in between 50-59% are Reliance, Infosys, Wipro HLL, ITC and Bharti televenture. The companies whose independent director have percentage in between 60-69% are Ranbaxy, ICICI and Dr. Reddys lab. And HDFC company has its Independent director to the total no of director is in between 70-79%.

(II)

Table 3.2.5.2

Disclosure about Proportion of independent director to the total no of director of top IT Companies.

Expected Score = 10

Company	Up to 49%	50- 59%	60- 69%	70- 79%	80- 89%	90% More	Score Points
Info Tech	—	✓	—	—	—	—	1
Patni	—	✓	—	—	—	—	1
NIIT	—	✓	—	—	—	—	1
Mastek	✓	—	—	—	—	—	1
Zensar	✓	—	—	—	—	—	1
HCL	—	✓	—	—	—	—	1
Sonata	✓	—	—	—	—	—	1
Mrotek	—	✓	—	—	—	—	1
Javelin	—	—	—	✓	—	—	1
Tata Infotech	—	—	—	—	—	—	1
Total	3	5	—	1	—	—	10

The data mentioned above reveals that the companies have their directors in the category of up to 49% are Mastek, Zensar and sonata. The companies which are falling in category of in between 50-59% are Infotech, Patni, NIIT, HCL and TATA Infotech. The companies whose independent directors have percentage in between 60-69% is MROTEK. Not a single company is falling in the category of in between 70-79% and 90% or more. But Javelin company has its directorship falling in the category of in between 80-89%.

(III)**Table 3.2.5.3**

Disclosure about Proportion of independent director to the total no of director of top Pharma & Health Care companies.

Expected Score = 10

Company	Up to 49%	50- 59%	60- 69%	70- 79%	80- 89%	90% More	Score Points
Novarties	–	–	–	✓	–	–	1
Cipla	–	–	–	✓	–	–	1
Bio Con	–	✓	–	–	–	–	1
Cadila	–	–	–	✓	–	–	1
Merck	✓	–	–	–	–	–	1
Pharmacia	✓	–	–	–	–	–	1
Glaxo Smith Kline	✓	–	–	–	–	–	1
Lupin	–	–	✓	–	–	–	1
Pfizer	–	–	✓	✓	–	–	1
Aventis	✓	–	–	–	–	–	1
Total	4	1	2	3	–	–	10

The data mentioned above reveals that the companies have their directors in the category of up to 49% are Mastak, Pharmacia, Glaxo Smithkline and Aventis. The companies which are falling in category of in between 50-59% is Biocon. The companies whose independent directors have percentage in between 60-69% are Lupin and Pfizer. The company which falling in the category of 70-79% are Novartis, Cipla and Cadila. Not a single company is falling in category of 80-89% and 90% or more.

(IV)**Table 3.2.5.4**

Disclosure about Proportion of independent director to the total no of director of top Banking and financial service sector units.

Expected Score = 10

Company	Up to 49%	50- 59%	60- 69%	70- 79%	80- 89%	90% More	Score Points
Corporation Bank	–	–	–	–	✓	–	1
UCO Bank	–	✓	–	–	–	–	1
KarurVysya Bank	–	✓	–	–	–	–	1
Kotak Mahindra Bank	✓	–	–	–	–	–	1
Bank of Maharashtra	–	–	–	–	✓	–	1
Allahbad Bank	–	✓	–	–	–	–	1
The Karnatak Bank	–	–	–	–	–	✓	1
Reliance Capital	✓	–	–	–	–	–	1
Global Trust Bank	–	–	–	–	✓	–	1
Bank of Punjab	–	–	–	–	–	–	1
Total	2	3	–	1	3	1	10

The data mention above reveals that the units have their director in the category of upto 49% are Kotak Mahindra Bank and Reliance Capital. The units which are failing in category of in between 50-59 are Uco Bank, KVB, and Allahabad Bank. While not a single unit is coming in the category of 60-69%. Bank of Punjab is falling in the category of 70-79%. The units falling in the category of 80-89% are Corporation Bank, Bank of Maharashtra and Global Trust Bank. The Karnataka Bank is falling in the category of 90% or more.

(V)

Table 3.2.5.5

Disclosure about Proportion of independent director to the total no of director of top FMCG Companies. Expected Score = 10

Company	Up to 49%	50- 59%	60- 69%	70- 79%	80- 89%	90% More	Score Points
Navneet Publication	✓	—	—	—	—	—	1
Titan	✓	—	—	—	—	—	1
Nirma	—	—	✓	—	—	—	1
Brittania Ind.	✓	—	—	—	—	—	1
Asian Paints	—	✓	—	—	—	—	1
Dabur	✓	—	—	—	—	—	1
Nestle	✓	—	—	—	—	—	1
Bata	—	✓	—	—	—	—	1
RayBan	✓	—	—	—	—	—	1
Colgate	✓	—	—	—	—	—	1
Total	7	2	1	-	-	-	10

The data mention above reveals that the units have their director in the category of upto 49% are Navneet Publication, Titan, Brittania industries, Dabur, Nestle, Rayban, and Colgate. The companies which are failing in category of in between 50-59 are Asian Paints and Bata. The companies whose independent directors have percentage in between 60-69% is Nirma. Not a single company is falling in the category of 70-79%, 80-89% and 90% or more.

Researcher has evaluated performance of sampled group companies through comparative analysis.

(VI)

Table 3.2.5.6

Comparative analysis of Disclosure

Groups	Expected Score of Disclosure	Actual Score
Overall top ten	10	10
IT	10	10
Pharma and Health care	10	10
Banking and finance		
Services	10	10
FMCG	10	10
Total	50	50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100$$

$$= 100 \%$$

Above analysis unveil the corporate governance index as highly disclosed of particular parameter.

VI Disclosure about director holding directorship in more than 15 companies.

As per corporate governance norms the B.O.D. must be efficiently involve in the management of the company. For that purpose a director should not hold directorship in more than 15 companies. It so, company should disclose such information in front of stakeholder.

(I)**Table 3.2.6.1**

Disclosure about directors holding Director ship in more than 15 other public companies of top ten companies.

Expected Score = 10

Company	100%	90-99%	80-89%	70-79%	60-69%	50-59%	40-49%	30-39%	20-29%	19-10%	10%	Score
Reliance Ind.	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Wipro Ltd.	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Infosys	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
ITC	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
HDFC	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
ICICI Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Bharti Ent.	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Dr. Reddy's lab	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Ranbaxy	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
HLL	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Total												0

As per the corporate governance rules it is to be required to be mentioned in front of the stakeholders that how many directors holds the directorship outside the company i.e. here research have to identify the information related to the each of he director and his directorship in public limited company.

As the data mentioned above related to the top ten overall best companies reveals that not a companies has director who holds the position of director in more than 15 companies, the companies like Reliance, Wipro, Infosys, Bharti enterprise, ITC, HDFC, ICICI, DR. Reddy's lab, Ranbaxy, and Hindustan level ltd. Not a single director holds the position in more than 15 listed companies.

(II)**Table 3.2.6.2**

Disclosure about directors holding Director ship in more than 15 other public companies of top IT companies.

Expected Score = 10

Company	100%	90-99%	80-89%	70-79%	60-69%	50-59%	40-49%	30-39%	20-29%	19-10%	10%	Score
Info Tech	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Patni	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
NIIT	NM	NM	NM	NM	NM	NM	NM	NM	NM	✓	NM	1
Mastek	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Zensar	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
HCL	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Sonata	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Mrotek	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Javelin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Tata Infotech	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Total												1

As the data mentioned above related to the top IT companies reveals that not a companies except NIIT which has one of the director holding directorship in more than 15 listed companies the companies like Infotech, Patni, Mastek, Zensar, HC, Sonata, Mrotek, Javelin and Tata infotech. Do not have such director.

(III)

Table 3.2.6.3

Disclosure about directors holding Director ship in more than 15 other public companies of top ten Pharma and health care companies.

Expected Score = 10

Company	100%	90-99%	80-89%	70-79%	60-69%	50-59%	40-49%	30-39%	20-29%	19-10%	10%	Score
Novartis	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Cipla	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Bio Con	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	✓	1
Cadila	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Merck	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Pharmacia	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Glaxo Smith Kline	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Lupin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Pfizer	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	✓	1
Aventis	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Total												2

As the data mentioned above related to the top Pharma and companies reveals that not a companies like Biocon and Pfizer have director in each of the company who holds the position of director in more than 15 companies, the companies like Novartis, Cipla, Cadila, Pharmacia, Glaxo smithkline, Lupin, Merck and Aventis hdo not have the single director who hold the position of directorship in more than 15 companies.

(IV)

Table 3.2.6.4

Disclosure about directors holding Director ship in more than 15 other public companies of top banking and financial service sector companies.

Expected Score = 10

Company	100%	90-99%	80-89%	70-79%	60-69%	50-59%	40-49%	30-39%	20-29%	19-10%	10%	Score
Corporation Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
UCO Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
KarurVysya Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Bank of Maharastra	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
The Karnatak Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Bank of Punjab												0

As the data mentioned above related to the top Banking and financial service sector units companies reveals that not a single unit director who holds the position of director in more than 15 companies, the units like Corporation Bank, UCO Bank, Karurvysya bank, Reliance capital, Kotak Mahindra Bank, Bank of Maharastra, Allahabad bank, The Karnataka Bank, Global trust bank and Bank of Punjab.

(V)

Table 3.2.6.5

Disclosure about directors holding Director ship in more than 15 other public companies of FMCG companies.

Expected Score = 10

Company	100%	90-99%	80-89%	70-79%	60-69%	50-59%	40-49%	30-39%	20-29%	19-10%	10%	Score
Navneet Publication	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Titan	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Nirma	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Brittania Ind.	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Asian Paints	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Dabur	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Nestle	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Bata	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
RayBan	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Colgate	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Total												0

As the data mentioned above related to the top FMCG companies reveals that not a companies has director who holds the position of director in more than 15 companies, the companies like Navneet, Titan, Brittania, Dabur, Nestle, Asian paints, Nirma, Bata, Rayban, and Colgate.

(VI)

Table 3.2.6.6

Comparative analysis of disclosure

Group		Expected score of Disclosure	Actual Score
1)	Overall top ten	10	0
2)	IT	10	1
3)	Pharma and Health care	10	2
4)	Banking and financial services	10	0
5)	FMCG	10	0
Total		50	3

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{3}{50} \times 100 \\ &= 6\%\end{aligned}$$

The obtained data scored at 6% which reflects that parameter has been least disclosed

VII Disclosure of office of chairman and chief executive officer

The disclosure of whether office of chairman and Chief Executive Officer is held by same person is important disclosure. This has been tabulated as under

(I)

Table 3.2.7.1

Disclosure about the officer of Chairman and Chief Executive Officer of top 10 best companies.

Expected Score = 10

Company	Same Person	Different	Points
Reliance Ind.	✓	–	1
Wipro Ltd.	✓	–	1
Infosys	✓	–	1
ITC	✓	–	1
HDFC	✓	–	1
ICICI Bank	–	✓	1
Bharti Ent.	✓	–	1
Dr. Reddy's lab	✓	–	1
Ranbaxy	–	✓	1
HLL	✓	–	1
Total	8	2	10

The data mentioned above reveals that top ten in performance companies have two categories of analysis, out of which Reliance Ind. Wipro Ltd., Infosys, ITC, HDFC, Bharti Telecom Ltd., Dr. Reddy's lab and HLL companies have the office of chairman and chief executive one in same it means it is held by the same person. While the companies like ICICI and Ranbaxy have the different people for handling these separate positions.

(II)

Table 3.2.7.2

Disclosure about the officer of Chairman and Chief Executive Officer of IT companies

Expected Score = 10

Company	Same Person	Different	Points
Info tech	–	✓	1
Patni	–	✓	1
NIIT	–	✓	1
Mastek	–	✓	1
Zensar	✓	–	1
HCL	–	✓	1
Sonata	✓	–	1
Mortek	–	✓	1
Javelin	–	✓	1
Tata Infotech	–	✓	1
Total	2	8	10

The data mentioned above reveals that top ten IT companies have two categories of analysis, out of which Zensar and Sonata companies have the office of chairman and chief executive one in same it means it is held by the same person. While the companies like Info Tech, Patni, NIIT, Mastek, HCL, Mrotek, Javelin, and Tata Infotech have the different people for handling these separate positions.

(III)**Table 3.2.7.2**

Disclosure about the office of Chairman and chief executive officer of top Pharma and Health-Care companies.

Expected Score = 10

Company	Same Person	Different	Points
Novarties	–	✓	1
Cipla	✓	–	1
Bio Con	✓	–	1
Cadila	✓	–	1
Merck	–	✓	1
Pharmacia	–	✓	1
Glaxo Smith Kline	–	✓	1
Lupin	✓	–	1
Pfizer	–	✓	1
Aventis	–	✓	1
Total	4	6	10

The data mentioned above reveals that Pharma and Health Care companies have two categories of analysis, out of which Cipla, Bio Con, Cadila and Lupin companies have the office of chairman and chief executive one in same it means it is held by the same person. While the companies like Novartis, Merck, Pharmacia, Glaxo Smith Kline, Pfizer and Aventis have the different people for handling these separate positions.

(IV)

Table 3.2.7.4

Disclosure about the office of Chairman and chief executive officer of top Banking and Financial Services Unit. Expected Score = 10

Company	Same Person	Different	Points
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
KarurVysya Bank	✓	–	1
Kotak Mahindra Bank	–	✓	1
Bank of Maharashtra	✓	–	1
Allahbad Bank	✓	–	1
The Karnatak Bank	✓	–	1
Reliance Capital	–	✓	1
Global Trust Bank	✓	–	1
Bank of Punjab	–	✓	1
Total	7	3	10

The data mentioned above reveals that banking companies have two categories of analysis, out of which Corporation Bank, UCO Bank, KarurVysya Bank, Bank, Bank of Maharashtra, Allahbad Bank, The Karnatak Bank and Global Trust Bank companies have the office of chairman and chief executive one in same it means it is held by the same person. While the companies like Kotak Mahindra Bank, Reliance Capital, and Bank of Punjab have the different people for handling these separate positions.

(V)

Table 3.2.7.5

Disclosure about the office of Chairman and chief executive officer of FMCG companies. Expected Score = 10

Company	Same Person	Different	Points
Navneet Publication	✓	–	1
Titan	✓	–	1
Nirma	–	✓	1
Brittania Ind.	✓	–	1
Asian Paints	–	✓	1
Dabur	✓	–	1
Nestle	–	✓	1
Bata	✓	–	1
RayBan	✓	–	1
Colgate	✓	–	1
Total	7	3	10

The data mentioned above reveals that top ten in performance companies have two categories of analysis, out of which Nirma, Asian Paint and Nestle companies have the office of chairman and chief executive one in same it means it is held by the same person. While the companies, like Navneet, Titan, Brittania, Dabur, Bata, Rayban and Colgate have the different people for handling these separate positions.

Researcher has gone through analyzing various sampled group companies and has compared disclosure of among various groups. Which is as follow.

(VI)

Table 3.2.7.6

Comparative analysis of disclosure

Group	Expected Score of disclosure	Actual score
Over all top ten	10	10
IT	10	10
Pharma and Health care	10	10
Banking and financial service	10	10
FMCG	10	10
Total	50	50

50

Corporate Governance Index = $\frac{\text{Actual score}}{\text{Expected Score of disclosure}} \times 100$

50

= 100%

The data mentioned above reveals that corporate governance disclosure related to office of chairman and chief executive is held by same or different person is 100% so this disclosure is best among sampled group.

VIII Disclosure of formal written code of conduct

This disclosure explains that board of directors must have formal written code of conduct among themselves.

The code of conduct for the directors refers to the certain ethical practices prevailing among the directors. The Board of directors are in charge of the companies management and they are supposed to follow certain code of conduct. Now every company maintains the code of conduct for the Board of directors to maintain and improve the confidence of the investors.

(I)

Table 3.2.8.1

Disclosure about whether formal written code of conduct exist for director in overall best top 10 companies. Expected Score = 10

Company	Yes	No	Points
Reliance Ind.	✓	–	1
Wipro Ltd.	✓	–	1
Infosys	✓	–	1
ITC	✓	–	1
HDFC	✓	–	1
ICICI Bank	✓	–	1
Bharti Ent.	✓	–	1
Dr. Reddy's lab	✓	–	1
Ranbaxy	✓	–	1
HLL	✓	–	1
Total	10		10

As the data mentioned above reveals that almost all the companies are following the code of conduct for their directors The top 10 companies data mentioned shows that Reliance, Wipro, Infosys, ITC, HDFC, ICICI, Bharti telecome, Dr. Reddys lab, Ranbaxy and HLL all the companies have code of conduct in their Management Structure.

(II)

Table 3.2.8.2

Disclosure about whether formal written code of conduct exist for director in top it companies. Expected Score = 10

Company	Yes	No	Points
Info tech	✓	–	1
Patni	✓	–	1
NIIT	✓	–	1
Mastek	✓	–	1
Zensar	✓	–	1
HCL	✓	–	1
Sonata	✓	–	1
Mortek	✓	–	1
Javelin	✓	–	1
Tata Infotech	✓	–	1
Total	10		10

As the data mentioned above reveals that almost all the companies are following the code of conduct for their directors The top IT companies data mentioned shows that the companies like Infotech, Patani, NIIT, Mastek, Zensar, HCL, Sonata, Mrotek, Javelin and Tata infotech all the companies have code of conduct in their Management Structure.

(III)

Table 3.2.8.3

Disclosure about whether formal written code of conduct exist for director in top Pharma and health care companies.

Expected Score = 10

Company	Yes	No	Points
Novarties	✓	—	1
Cipla	✓	—	1
Bio Con	✓	—	1
Cadila	✓	—	1
Merck	✓	—	1
Pharmacia	✓	—	1
Glaxo Smith Kline	✓	—	1
Lupin	✓	—	1
Pfizer	✓	—	1
Aventis	✓	—	1
Total	10		10

As the data mentioned above reveals that almost all the companies are following the code of conduct for their directors The top Pharma and health care companies like Novartis Cipla, Cadila, Biocon, Pfizer, Glaxo Smithkline merck, Pharmacia, Lupin and Aventis have code of conduct in their Management Structure.

(IV)

Table 3.2.8.4

Disclosure about whether formal written code of conduct exist for director of Banking & Financial services sector units.

Expected Score = 10

Company	Yes	No	Points
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
KarurVysya Bank	✓	–	1
Kotak Mahindra Bank	✓	–	1
Bank of Maharastra	✓	–	1
Allahbad Bank	✓	–	1
The Karnatak Bank	✓	–	1
Reliance Capital	✓	–	1
Global Trust Bank	✓	–	1
Bank of Punjab	✓	–	1
Total	10		10

As the data mentioned above reveals that almost all the companies are following the code of conduct for their directors The Banking and Financial Services companies data mentioned shows that almost all the units are following code of conduct, units like Corpo. Bank, Uco Bank, KarurVysya Bank, Kotak Mahindra Bank, Reliance Capital, Globle Trust Bank and Bank of Punjab have code of conduct in their Management Structure.

(V)

Table 3.2.8.5

Disclosure about whether formal written code of conduct exist for director in top FMCG companies.

Expected Score = 10

Company	Yes	No	Points
Navneet Publication	✓	–	1
Titan	✓	–	1
Nirma	✓	–	1
Brittania Ind.	✓	–	1
Asian Paints	✓	–	1
Dabur	✓	–	1
Nestle	✓	–	1
Bata	✓	–	1
RayBan	✓	–	1
Colgate	✓	–	1
Total	10		10

As the data mentioned above reveals that almost all the companies are following the code of conduct for their directors The top FMCG companies data mentioned shows that all the companies like Navneet publications, Titan, Colgate, Rayban, Asianpaints, Dabur, Bata, nestle, Nirma and Brittania have code of conduct in their Management Structure.

The above data have been compared by the researcher and result has been drawn.

(VI)

Table 3.2.8.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100$$

$$= 100 \%$$

The disclosure of whether formal written code of conduct exist among board has been disclosure completely and the sampled groups are efficient in this disclosure.

IX Disclosure of formal policy for succession planning

The disclosure which is related to the succession planning at the senior level of management reveals whether companies are following planning and they are involving their management in such succession or not. When the companies follows the corporate Governance norms it has to look after that at corporate level succession of planning is done in proper way or not.

(I)**Table 3.2.9.1**

Disclosure related to whether formal policy exist for succession planning at senior level of Overall Best top 10 Companies.

Expected Score = 10

Company	Yes	No	Points
Reliance Ind.	✓	–	1
Wiper Ltd.	✓	–	1
Infosys	✓	–	1
ITC	✓	–	1
HDFC	✓	–	1
ICICI Bank	✓	–	1
Bharti Ent.	✓	–	1
Dr. Reddy's lab	✓	–	1
Ranbaxy	✓	–	1
HLL	✓	–	1
Total	10		10

As the data mentioned above of the top 10 Overall best companies shows that almost all the companies Reliance, Wipro, Infosys, ITC, HDFC, ICICI, Bharti telecome, Dr. Reddys lab, Ranbaxy, and HLL have succession planning at the senior level of management.

(II)**Table 3.2.9.2**

Disclosure related to whether formal policy exist for succession planning at senior level of top IT companies.

Expected Score = 10

Company	Yes	No	Points
Info tech	✓	–	1
Patni	✓	–	1
NIIT	✓	–	1
Mastek	✓	–	1
Zensar	✓	–	1
HCL	✓	–	1
Sonata	✓	–	1
Mortek	✓	–	1
Javelin	✓	–	1
Tata Infotech	✓	–	1
Total	10	-	10

As the data reveals that almost all the companies of IT are implementing planning at their top level. The companies lie Infotech, Patani, NIIT, Masteek, Zensar, HCL, Sonata, Mrotek, Javelin and Tata infotech all these are successfully implementing their plans at the top levels.

(III) Table 3.2.9.3

Disclosure related to whether formal policy exist for succession planning at senior level of Pharma and Health Care Companies.

Expected Score = 10

Company	Yes	No	Points
Novarties	✓	—	1
Cipla	✓	—	1
Bio Con	✓	—	1
Cadila	✓	—	1
Merck	✓	—	1
Pharmacia	✓	—	1
Glaxo Smith Kline	✓	—	1
Lupin	✓	—	1
Pfizer	✓	—	1
Aventis	✓	—	1
Total	10		10

As the data reveals that almost all the companies of Pharma and Health Care are implementing planning at their top level like Novartis Cipla, Cadila, Biocon, Pfizer, Glaxo Smithkline merck, Pharmacia, Lupin and Aventis have successfully implementing planning at the top levels.

(IV)

Table 3.2.9.4

Disclosure related to whether formal policy exist for succession planning at senior level of Banking and Financial Services Units.

Expected Score = 10

Company	Yes	No	Points
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
KarurVysya Bank	✓	–	1
Kotak Mahindra Bank	✓	–	1
Bank of Maharashtra	✓	–	1
Allahbad Bank	✓	–	1
The Karnatak Bank	✓	–	1
Reliance Capital	✓	–	1
Global Trust Bank	✓	–	1
Bank of Punjab	✓	–	1
Total	10		10

As the data reveals that almost all the companies of Banking and Financial Services are implementing planning at their top level Corpro. Bank, Uco Bank, KarurVysya Bank, Kotak Mahindra Bank, Bank of Maharashtra, Allahabad bank, The Karnataka Bank, Reliance Capital, Globle trust Bank and Bank of Punjab have successfully implementing planning at their top level.

(V)

Table 3.2.9.5

Disclosure related to whether formal policy exist for succession planning at senior level of best FMCG companies. Expected Score = 10

Company	Yes	No	Points
Navneet Publication	✓	–	1
Titan	✓	–	1
Nirma	✓	–	1
Brittania Ind.	✓	–	1
Asian Paints	✓	–	1
Dabur	✓	–	1
Nestle	✓	–	1
Bata	✓	–	1
RayBan	✓	–	1
Colgate	✓	–	1
Total	10		10

As the data reveals that almost all the companies of FMCG are implementing planning at their top level Navneet Publications, Titan, Colgate, Rayban, Asianpaints, Dabur, Bata, Nestle, Nirma and Britannia have successfully implemented planning at their top level.

(VI)

Table 3.2.9.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100$$

= 100 %

Comparative analysis, as shown above reflects that even disclosure of formal succession planning has been disclosed completely by sample group.

X Disclosure of Prevention of Insider trading.

It is to be noted that the companies, which are working publicly, have to look after to the trading of their business. The board of director or management should not take the advantage of their position and thereby through insider training they can benefit themselves. For this purpose there must be some preventive measures to control insider trading code of corporate governance includes this aspect, specially mentioned in the report of Omkar Goswami.

(I)**Table 3.2.10.1**

Disclosure about prevention of insider trading in the companies through written code of overall top ten Companies. Expected Score = 10

Company	Yes	No	Points
Reliance Ind.	✓	–	1
Wiper Ltd.	✓	–	1
Infosys	✓	–	1
ITC	✓	–	1
HDFC	✓	–	1
ICICI Bank	✓	–	1
Bharti Ent.	✓	–	1
Dr. Reddy's lab	✓	–	1
Ranbaxy	✓	–	1
HLL	✓	–	1
Total	10		10

As the data mentioned above shows that in almost all the top most ten companies insider training is prevented. The companies like Reliance, Wipro, Infosys, ITC, HDFC, ICICI, Bharti telecome, Dr. Reddys lab, Ranbaxy, and HLL have successfully worked for that

(II)**Table 3.2.10.2**

Disclosure about prevention of insider trading in the companies through written code of overall IT Companies. Expected Score = 10

Company	Yes	No	Points
Info tech	✓	–	1
Patni	✓	–	1
NIIT	✓	–	1
Mastek	✓	–	1
Zensar	✓	–	1
HCL	✓	–	1
Sonata	✓	–	1
Mortek	✓	–	1
Javelin	✓	–	1
Tata Infotech	✓	–	1
Total	10		10

As the data mentioned above shows that in almost all the IT companies insider training is prevented. The companies like Infotech, Patani, NIIT, Mastek, Zensar, HCL, Sonata, Mrotek, Javelin and Tata infotech have successfully worked for that

(III) Table 3.2.10.3

Disclosure about prevention of insider trading in the companies through written code of top Pharma and Health Care Companies.

Expected Score = 10

Company	Yes	No	Points
Novarties	✓	—	1
Cipla	✓	—	1
Bio Con	✓	—	1
Cadila	✓	—	1
Merck	✓	—	1
Pharmacia	✓	—	1
Glaxo Smith Kline	✓	—	1
Lupin	✓	—	1
Pfizer	✓	—	1
Aventis	✓	—	1
Total	10		10

As the data mentioned above shows that in almost all Pharma companies insider training is prevented. The companies like Novartis Cipla, Cadila, Biocon, Pfizer, Glaxo Smithkline merck, Pharmacia, Lupin and Aventis have successfully worked for that.

(IV)

Table 3.2.10.4

Disclosure about prevention of insider trading in the companies through written code of top Banking and Financial Service Units.

Expected Score = 10

Company	Yes	No	Points
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
KarurVysya Bank	✓	–	1
Kotak Mahindra Bank	✓	–	1
Bank of Maharastra	✓	–	1
Allahbad Bank	✓	–	1
The Karnatak Bank	✓	–	1
Reliance Capital	✓	–	1
Global Trust Bank	✓	–	1
Bank of Punjab	✓	–	1
Total	10		10

As the data mentioned above show that in almost Banking Units insider training is prevented. The companies like Corpo. Bank, Uco Bank, KarurVysya Bank, Kotak Mahindra Bank, Bank of Maharashtra, Allahabad bank, The Karnataka Bank, Reliance Capital, Globle trust Bank and Bank of Punjab have successfully worked for that.

Table 3.2.10.5

Disclosure about prevention of insider trading in the companies through written code of FMCG Best Companies.

Expected Score = 10

Company	Yes	No	Points
Navneet Publication	✓	–	1
Titan	✓	–	1
Nirma	✓	–	1
Brittania Ind.	✓	–	1
Asian Paints	✓	–	1
Dabur	✓	–	1
Nestle	✓	–	1
Bata	✓	–	1
RayBan	✓	–	1
Colgate	✓	–	1
Total	10		10

As the data mentioned above shows that in almost all the FMCG companies insider training is prevented. The companies like Navneet Publications, Titan, Colgate, Rayban, Asianpaints, Dabur, Bata, Nestle, Nirma and Brittania have successfully worked for that.

(VI)

Table 3.2.10.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100$$

$$= 100 \%$$

Researcher has tabulated comparative data of each sampled group and has evaluated corporate governance disclosure through corporate governance index. It reflects that disclosure is best and efficient disclosure.

XI Disclosure of Structural training programme.

The director of the company should have proper caliber as well as capacity to manage all the business which is supposed to be handled by himself. If he is not competent enough, he should be given proper training by the management - mentioned in the report presented by Kumar Mangalam committee as well as Nareshchandra committee report.

(I) Table 3.2.11.1

Disclosure of structural training programme for directors of overall top ten best Companies. Expected Score = 10

Company	Yes	No	Points
Reliance Ind.	✓	—	1
Wipro Ltd.	✓	—	1
Infosys	✓	—	1
ITC	✓	—	1
HDFC	✓	—	1
ICICI Bank	✓	—	1
Bharti Ent.	✓	—	1
Dr. Reddy's lab	✓	—	1
Ranbaxy	✓	—	1
HLL	✓	—	1
Total	10		10

As the data mentioned above overall top ten reveals that whether companies are providing the training to their directors. Almost all the companies Reliance, Wipro, Infosys, ITC, HDFC, ICICI, Bharti telecome, Dr. Reddys lab, Ranbaxy, and HLL are providing structural training programm to their board of directors.

(II) Table 3.2.11.2

Disclosure of structural training programme for directors of overall top IT companies.

Expected Score = 10

Company	Yes	No	Points
Info tech	✓	–	1
Patni	✓	–	1
NIIT	✓	–	1
Mastek	✓	–	1
Zensar	✓	–	1
HCL	✓	–	1
Sonata	✓	–	1
Mortek	✓	–	1
Javelin	✓	–	1
Tata Infotech	✓	–	1
Total	10		10

As the data mentioned above of IT companies reveals that whether companies are providing the training to their directors. Almost all the companies Infotech, Patani, NIIT, astek Zensar, HCL, Sonata, Mrotek, Javelin and Tata infotech are providing structural training program to their board of directors.

(III)**Table 3.2.11.3**

Disclosure of structural training programme for directors of overall top Pharma and Health Care Companies. Expected Score = 10

Company	Yes	No	Points
Novarties	✓	–	1
Cipla	✓	–	1
Bio Con	✓	–	1
Cadila	✓	–	1
Merck	✓	–	1
Pharmacia	✓	–	1
Glaxo Smith Kline	✓	–	1
Lupin	✓	–	1
Pfizer	✓	–	1
Aventis	✓	–	1
Total	10		10

As the data mentioned above of Banking sector reveals that whether companies are providing the training to their directors. Almost all the companies like Novartis Cipla, Cadila, Biocon, Pfizer, Glaxo Smithkline merck, Pharmacia, Lupin and Aventis are providing structural training program to their board of directors.

(IV)**Table 3.2.11.4**

Disclosure of structural training programme for directors of overall top Banking and financial Services Units. Expected Score = 10

Company	Yes	No	Points
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
KarurVysya Bank	✓	–	1
Kotak Mahindra Bank	✓	–	1
Bank of Maharastra	✓	–	1
Allahbad Bank	✓	–	1
The Karnatak Bank	✓	–	1
Reliance Capital	✓	–	1
Global Trust Bank	✓	–	1
Bank of Punjab	✓	–	1
Total	10		10

As the data mentioned above of FMCG companies reveals that whether companies are providing the training to their directors. Almost all the companies Corpo. Bank, Uco Bank, KarurVysya Bank, Kotak Mahindra Bank, Bank of Maharashtra, Allahabad bank, The Karnataka Bank, Reliance Capital, Globle trust Bank and Bank of Punjab are providing structural training program to their board of directors.

(V) Table 3.2.11.5

Disclosure of structural training programme. For directors of overall top FMCG companies.

Expected Score = 10

Company	Yes	No	Points
Navneet Publication	✓	–	1
Titan	✓	–	1
Nirma	✓	–	1
Brittania Ind.	✓	–	1
Asian Paints	✓	–	1
Dabur	✓	–	1
Nestle	✓	–	1
Bata	✓	–	1
RayBan	✓	–	1
Colgate	✓	–	1
Total	10		10

As the data mentioned above of FMCG companies reveals that they are providing the training to their directors. Almost all the companies Navneet Publications, Titan, Colgate, Rayban, Asianpaints, Dabur, Bata, Nestle, Nirma and Brittania are providing structura training program to their board of directors.

(VI)

Table 3.2.11.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

$$\begin{aligned} & 50 \\ \text{Corporate Governance Index} &= \frac{50}{50} \times 100 \\ &= 100 \% \end{aligned}$$

Data disclosure of structural training programme has been efficiently disclosure as it's index reflects that look i.e. this disclosure among sampled group is good.

XII Disclosure of Various Board committees.

Various Board committees are important part of management efficiency which the committees like audit, remuneration, management, etc. The collected data in this reference are tabulated in following manner.

(I)

Table 3.2.12.1

Disclosure about the existence of the board committee in the Overall top ten companies.

Expected Score = 60

Name	Reliance Ind.	Wipro Ltd.	Points	Infosys	Points	ITC	Points	HDFC	Points	ICICI Bank	Points	Bharti Ent.	Points	Dr. Reddy's Lab	Points	Ranbaxy	Points	HLL	Points
Audit Committee	✓	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Remuneration Committee	✓	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	–	–	✓	1
Shareholders Committee	✓	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Nomination Committee	–	✓	1	–	1	✓	1	–	1	✓	1	–	1	✓	1	–	–	–	–
Management Committee	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	✓	1	–	–
Total			3		4		3		4		3		4		3		3		3

As the data mentioned above reveals the information that which committee exist in the top ten overall best companies shows that Audit committee and Shareholder grievance committee exist in the companies like Reliance, Wipro, Infosys, ICICI, HDFC, & ITC,. While the in companies like Wipro, ICICI, Dr, Reddy's lab and ITC has nomination committee and rest of companies like Reliance, Infosys, HDFC, Bharti televenture, Ranbaxy, and do not have Nomination committee. Also management committee only exist in the Ranbaxy company the Remuneration committee exist in the all the companies except Ranbaxy company.

(II)

Table 3.2.12.2

Disclosure about the existence of the board committee in the IT companies.

Expected Score = 60

Name	Info tech	Points	Patni	Points	NIIT	Points	Mastek	Points	Zensar	Points	HCL	Points	Sonata	Points	Mrotek	Points	Javelin	Points	Tata In.	Points
Audit Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Remuneration Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	–	–	✓	1
Shareholders Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Nomination Committee	–		–		✓	1	✓	1	–	1	–		–		–		–			–
Management Committee	–		–		✓	1	–		–		–		–		–		–			–
Other	–		–		–		–		–		–		–		–		✓			–
Total		3		3		5		4		3		3		2		3		3		3

As the data mentioned above reveals the information that which committee exist in the top ten overall best companies shows that Audit committee and Shareholder grievance committee exist in the companies Infotech, Patni, Mastek, Zensar, HCL, Sonata, Mrotek, Javelin, NIIT and Tata infotech. And only NIIT has nomination committee and rest of companies like Infotech, Patni, Mastek, Zensar, HCL, Sonata, Mrotek, Javelin and Tat infotech. and do not have Nomination committee. Also management committee only exist in the all the companies except Sonata company.

(III)**Table 3.2.12.3**

Disclosure about the existence of the board committee in the Banking and financial service sector companies.

Expected Score = 60

Name	Novartis	Points	Cipla	Points	Biocon	Points	Cadila	Points	Merk	Points	Pharmacia	Points	GSK	Points	Lupin	Points	Pfizer	Points	Aventis	Points
Audit Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Remuneration Committee	✓	1	✓	1	✓	1	NM	0	✓	1	✓	1	✓	1	✓	1	✓	1	–	–
Shareholders Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Nomination Committee	–		–		–		✓	1	–		–		–		–		–			–
Management Committee	–		–		–		–		–		–		–		–		–			–
Other	–		–		–		–		–		–		–		–		✓			–
Total		3		3		3		3		1		3		3		3		3		2

As the data mentioned above reveals the information that which committee exist Pharma and Health Care companies. It is shown that Audit committee and Shareholder grievance committee exist in the companies Novartis, Cipla, Cadila, Pharmacia, Glaxo smithkline, Lupin, Merck Pfizer and Aventiswhile not single company has nomination committee Also Management committee do not exist any of the company Remuneration committee exist in the all the companies Except Aventis company.

(VI)

Table 3.2.12.4

Disclosure about the existence of the board committee in the Banking and financial service sector companies.

Expected Score = 60

Name	CB	Points	UB	Points	KVB	Points	KM B	Points	BOM	Points	AB	Points	TKB	Points	RC	Points	GTB	Points	BOP	Points
Audit Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Remuneration Committee	–	–	✓	1	–	–	✓	1	✓	1	✓	1	–	–	✓	1	✓	1	✓	1
Shareholders Committee	–	–	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Nomination Committee	–	–	–	–	–	–	✓	1	–	–	–	–	–	–	–	–	✓	1	✓	1
Management Committee	✓	1	–	–	–	–	✓	1	✓	1	–	1	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	✓	1	✓	1	✓	1	–	–	–	–
Total		2	3	2	–	–	–	5	–	4	–	3	–	4	–	3	–	4	–	4

As the data projected in the above table reveals that the top banking and financial service sector companies have different levels of the he committee, the committee like Audit committee is present in most of the banks like Corporation bank, Uco bank, Karurvysya bank, Allahbad bank, Kotak mahindra bank, Reliance capital, Global Trust bank, and Bank of Punjab. While the remuneration committee do exist in the most of the banks except Kruru vysya bank Corporation bank, and kotak mahindra bank.

(V)

Table 3.2.12.5

Disclosure about the existence of the board committee in the most famous FMCG companies.

Expected Score = 60

Name	Navnet	Points	Titan	Points	Nirma	Points	Brittania	Points	AP	Points	Dabar	Points	Nestle	Points	Bata	Points	Rayban	Points	Colgate	Points
Audit Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Remuneration Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	–	–
Shareholders Committee	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Nomination Committee	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Management Committee	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total		3		3		3		3		3		3		3		3		3		2

Tabulated data reveals that out of Ten FMCG companies all ten companies have audit and share holders committee and Remuneration committee exist in all companies except Colgate while nomination committee, Management Committee not existed in any company.

Table 3.2.12.6**Comparative Analysis of Disclosure**

Group	Expected Score	Actual Score
Overall top ten	60	34
IT	60	32
Pharma & Health care	60	27
Banking & Financial Service	60	36
FMCG	60	29
Total	300	158

$$\begin{aligned}
 & \qquad \qquad \qquad 158 \\
 \text{Corporate Governance Index} &= \frac{\quad}{300} \\
 & \qquad \qquad \qquad = 52.6 \%
 \end{aligned}$$

Researcher has shown comparative analysis of board committee disclosure and has evaluated this disclosure as moderately disclosed as its index reflects that it has 52.5% index means more than 50% but less 75%.

X Disclosure of attendance of Board in various board committees.

This is most important disclosure and data has been tabulated as index of various groups.

(I)

Table 3.2.13.1

Disclosure relating to attendance of the Board of director in different Board committees of overall top 10 companies.

Expected Score = 50

Name	Reliance Ind.	Wipro Ltd.	Infosys	ITC	Points	HDFC	ICICI Bank	Points	Bharti Ent.	Points	Dr. Reddy's Lab	Points	Ranbaxy	Points	HLL	Points
Audit Committee	60%	100%	1	85%	1	100%	60%	1	60%	1	71%	1	97.5%	1	80%	1
Remuneration Committee	100%	75%	1	100%	1	100%	70%	1	66%	1	100%	1	No meet.		85%	1
Shareholders Committee	NM	80%	1	90%	1	90%	59%	1	92%	1	100%	1	90%	1	100%	1
Nomination Committee	-	63%	1	-	1	-	64%	1	-	1	✓	1	-	1	-	-
Management Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	✓	-	1	-
Total		3	4		3	4		3		4		3		4	3	3

The data mentioned above related to the analysis of the attendance in the Board committee meeting of top ten company reveals that in

the Audit committee Reliance has 60%, Infosys has 100%, Wipro has Directors have attendance as 85%, 100%, 90%, in the meeting like Audit committee, Remuneration committee and Share Grievance committee. In Infosys company has 100%, 75% 80%, and 60% attendance in the committees respectively. In the ITC company 80%, 79%, 95, 85% attendance respectively. While Ranbaxy has 97.5% and the remuneration committee has no meeting and Share holders committee has 90% and mana. Committee has 76% attendance. The HDFC company has 100%, 100% and 90% attendance in the a. committee, re.com, and Share, h,comi, respectively. While the ICICI bank has 60%,66%, 92% attendance. Bharti Ent., Reddys lab and Hindustan lever has 60%, 71%, and 80% attendance in the audit comi. 66%, 100% and 85% in remuneration committee 92%, 100% and 100% attendance in the shareholders committee.

(II)**Table 3.2.13.2**

Disclosure relating to attendance of the Board of director in different Board committee of top IT companies.

Expected Score = 50

Name	Info tech	Points	Patni	Points	NIIT	Points	Ma stek	Points	Zensar	Points	HCL	Points	Sonata	Points	Mrotek	Points	Javelin	Points	Tata In.	Points
Audit Committee	70%	1	54%	1	85%	1	68 %	1	95%	1	60%	1	99%	1	50%	1	100%	1	65%	1
Remuneration Committee	56%	1	NM	1	76%	1	75 %	1	70%	1	65%	1	-	-	100%	1	NM	-	70	1
Shareholders Committee	80%	1	NM	1	63.5%	1	NM	-	62.2%	1	72%	1	62%	1	50%	1	NM	-	80%	1
Nomination Committee	-		-		60%	1	-	-	-		-		55%	1	-		-			-
Management Committee	-		-		-	-	-		-		-		-		-		-			-
Other	-		-		-		-		-		-		-		-		✓			-
Total		3		1		4		2		3		3		3		3		1		3

As the data mentioned above reveals the fact that The companies like Infotech, Patni, Mrotek, NIIT, Mastek, Zensar, HCL, Sonata, Javelin, and Tata Infotech has 70%, 54%, 95%, 60%, 99%, 68%, 100% and 65% of difference in Audit committee meeting is almost more than 50% in all 17 companies in shareholders committee the data of attendance has been given by all companies except Patni ,Mastek and Javelin.

III)

Table 3.2.13.3

Disclosure relating to attendance of the Board of director in different Board committees of top Pharma and Health care companies

Expected Score = 50

Name	Novartis	Points	Cipla	Points	Biocon	Points	Cadila	Points	Merk	Points	Pharmacia	Points	GSK	Points	Lupin	Points	Pfizer	Points	Aventis	Points
Audit Committee	62.5%	1	80%	1	100%	1	80%	1	75%	1	80%	1	80%	1	77%	1	80%	1	100%	1
Remuneration Committee	73%	1	75%	1	100%	1	NM	0	NM	-	100%	1	85%	1	63%	1	65%	1	-	-
Shareholders Committee	NM	-	80%	1	NM	-	NM	-	NM	-	50%	1	90%	1	85%	1	60%	1	100%	1
Nomination Committee	-		-		-		✓	1	-		-		-		-		-			-
Management Committee	-		-		-		-		-		-		-		-		-			-
Other	-		-		-		-		-		-		-		-		✓			-
Total		2		3		2		1		1		3		3		3		3		2

Board committee's attendance is vital disclosure and has been tabulated by researcher in above manner. It shows that the companies have disclosed attendance of board in Board committee meetings but cadila Novartis and Merck has not disclosed complete information.

(IV)

Table 3.2.13.4

Disclosure relating to attendance of the Board of director in different Board committees of top Banking and Financial service sector companies.

Expected score =50

Name	CB	Points	UB	Points	KVB	Points	KMB	Points	BOM	Points	AB	Points	TKB	Points	RC	Points	GTB	Points	BOP	Points
Audit Committee	70%	1	90%	1	62%	1	62%	1	90%	1	55%	1	89%	1	75%	1	83%	1	62%	1
Remuneration Committee	–	–	85%	1	Not Existed	–	90%	1	68%	1	69%	1	–	–	85%	1	73%	1	69%	1
Shareholders Committee	–	–	95%	1	100%	1	75%	1	79%	1	85%	1	NM	–	65%	1	100%	1	90%	1
Nomination Committee	–	–	–	–	–	–	NM	–	–	–	–	–	–	–	–	–	100%	1	–	–
Management Committee	60%	1	–	–	–	–	85%	1	–	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	✓	1	✓	1	✓	1	–	–	–	–
Total		2		3		2		4		3		3		1		3		4		3

The data tabulated above unveils that the attendance in audit committee has been disclosed and attendance in Remuneration committee meeting has also been disclosed but corporation bank does not have remuneration committee that why that data is not available while other committees attendance as per their existence and available

(V)

Table 3.2.13.5

Disclosure relating to attendance of the Board of director in different Board committees of top FMCG companies.

Expected Score = 50

Name	Navneet	Points	Titan	Points	Nirma	Points	Brittania	Points	AP	Points	Dabur	Points	Nestle	Points	Bata	Points	Rayban	Points	Colgate	Points
Audit Committee	75%	1	65%	1	76%	1	90%	1	95%	1	85%	1	85%	1	68%	1	67%	1	86%	1
Remuneration Committee	60%	1	85%	1	90%	1	80%	1	90%	1	90%	1	NM	-	100%	1	100%	1	-	-
Shareholders Committee	100%	1	32%	1	100%	1	75%	1	85%	1	65%	1	NM	-	75%	1	100%	1	NM	-
Nomination Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		3		3		3		3		3		3		3		1		3		1

The data mentioned in above table shows that Navneet, Titan, Nirma, Brittani, Asian Paints, Dabur, Nestle, Bata, Raybon and colgate has 75%, 65%, 76%, 90%, 95%, 85%, 85%, 67%, and 86% attendance in audit committee meeting and 60%, 85%, 90%, 80%, 90%, 100%, 100% attendance remuneration committee respectively but Nestle has not disclosed attendance and colgate does not have remuneration committee shareholder attendance is mentioned above while Nestle and colgate has not disclosed that data.

(VI)

Table 3.2.13.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	50	32
IT	50	26
Pharma & Health care	50	23
Banking & Financial Service	50	28
FMCG	50	26
Total	250	135

$$\text{Corporate Governance Index} = \frac{135}{250} \times 100$$

$$= 54 \%$$

The data that has been tabulated above reveals that the attendance in board committee meetings have been disclosed moderately. This analysis has been evaluated through corporate governance index and conclusion has been drawn.

XIV Disclosure of chairman of board committees.

It is one of the norms of corporate governance practices that the chairman of board committees must be independent and non-executive director. Researcher has collected data of sampled group and tabulated in following manner.

(I)

Table 3.2.14.1

Disclosure about Chairman of the Board Committee of overall top 10 companies. Expected Score =10

Company	Independent Non Executive Director	Other	Points
Reliance Ind.	✓	-	1
Wipro Ltd.	✓	-	1
Infosys	-	✓	1
ITC	-	✓	1
HDFC	✓	-	1
ICICI Bank	✓	-	1
Bharti Ent.	-	✓	1
Dr. Reddy's lab	-	✓	1
Ranbaxy	✓	-	1
HLL	✓	-	1
Total	6	4	10

As the data mentioned above related to the overall best top ten companies reflects about their Chairman whether the chairman of the Board committee is independent non-executive director or other. The information on reveals that the companies like Reliance, Wipro, HDFC, Ranbaxy, Dr, Reddys lab, ICICI, and Hindustan lever has Independent non executive chairman of Board committee and the companies like infosys, ITC, and Bharti telecom has other category of the chairman.

(II)

Table 3.2.14.2

Disclosure about Chairman of the Board Committee of top overall IT best companies. Expected Score =10

Company	Independent Non Executive Director	Other	Points
Info tech	–	✓	1
Patni	✓	–	1
NIIT	✓	–	1
Mastek	–	✓	1
Zensar	✓	–	1
HCL	–	✓	1
Sonata	✓	–	1
Mortek	✓	–	1
Javelin	–	✓	1
Tata Infotech	✓	–	1
	6	4	10

As the data mentioned above related to the overall best top ten companies reflects about their Chairman whether the chairman of the Board committee is independent non-executive director or other. The information on reveals that the companies like Patni, NIIT, Mastek, Sonata, Mrotek, and Tata infotech have Independent non executive chairman of Board committee and the companies like Infotech, Zensar, HCL, and Javelin has other category of the chairman.

(III)**Table 3.2.14.3**

Disclosure about Chairman of the Board Committee of top overall
Pharma and Health care companies. Expected Score =10

Company	Independent Non Executive Director	Other	Points
Novarties	✓	-	1
Cipla	✓	-	1
Bio Con	✓	-	1
Cadila	-	✓	1
Merck	✓	-	1
Pharmacia	✓	-	1
Glaxo Smith Kline	✓	-	1
Lupin	✓	-	1
Pfizer	-	✓	1
Aventis	✓	-	1
Total	8	2	10

As the data mentioned above related to the top Pharma and Health care companies reflects about their Chairman whether the chairman of the Board committee is independent non executive director or other. The information on reveals that the companies like Novartis, Cipla, Biocon, Merck, Pharmacia, Glaxo, Lupin and Aventis have Independent non executive chairman of Board committee and the companies like Cadila and Pfizer have other category of the chairman.

(IV)

Table 3.2.14.4

Disclosure about Chairman of the Board Committee of top Banking & Financial services companies. Expected Score =10

Company	Independent Non Executive Director	Other	Points
Corporation Bank	✓	-	1
UCO Bank	✓	-	1
KarurVysya Bank	-	✓	1
Kotak Mahindra Bank	✓	-	1
Bank of Maharashtra	✓	-	1
Allahbad Bank	✓	-	1
The Karnatak Bank	✓	-	1
Reliance Capital	✓	-	1
Global Trust Bank	✓	-	1
Bank of Punjab	✓	-	1
Total	9	1	10

As the data mentioned above related to the top banking and financial service companies reflects about their Chairman whether the chairman of the Board committee is independent non executive director or other. The information on reveals that the companies like Corporation Bank, Uco Bank, Kotak mahindrabank, Allahbad bank, Karnatak bank, Reliance capital, Bank of maharashtra, Global trust bank and Bank of Punjab have Independent non executive chairman of Board committee and the company like Karurvyasya bank has other category of the chairman.

(V)

Table 3.2.14.5

Disclosure about Chairman of the Board Committee of FMCG companies. Expected Score =10

Company	Independent Non Executive Director	Other	Points
Navneet Publication	-	✓	1
Titan	-	✓	1
Nirma	✓	-	1
Brittania Ind.	-	✓	1
Asian Paints	-	✓	1
Dabur	-	✓	1
Nestle	✓	-	1
Bata	-	✓	1
RayBan	✓	-	1
Colgate	✓	-	1
Total	4	6	10

As the data mentioned above related to the top banking and financial service companies reflects about their Chairman whether the chairman of the Board committee is independent non-executive director or other. The information on reveals that the companies like Nirma, Dabur, Rayban, Nestle and Colgate has Independent non executive chairman of Board committee and the company like Navneet, Titan, Brittania, Asian Paint, and Bata has other category of the chairman.

(VI)

Table 3.2.14.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

$$\begin{aligned} \text{Corporate Governance Index} &= \frac{50}{50} \times 100 \\ &= 100 \% \end{aligned}$$

The information of category of chairman in Board committees has been disclosed efficiently by sampled group.

XV Disclosure of attendance of Board in Board meetings.

It is prime responsibility of the board to attend all the meetings of board and how many meetings and attended by them has to be disclosed by company.

The data of directors attendance and data of meeting has been tabulated as under.

(I)**Table 3.2.15.1**

Disclosure about attendance of directors in Board meetings of the top ten overall best companies.

Expected score=10

Company	Dates (2002-2003)	Attendance (Director wise)	Points
Reliance Ind.	April 23, 16 june, 31 july, 16 oct, 29 jan,	1. 100% 5.80% 9.80% 13.100%	1
		2. 100% 6.80% 10.40%	
		3. 100% 7.100% 11.100%	
		4. 100% 8.80% 12.80%	
Wipro Ltd.	April 18, July 18, Oct. 18, Jan 17	1. 100% 4.100% 7.50% 10.100%	1
		2. 75% 5.100% 8.75%	
		3. 100% 6.100% 9.50%	
Ranbaxy	Jan 29, Feb 27, April 29, May 31, June 28, July 18, Aug. 12, Sept. 2, Oct. 16	1. 87% 5.76% 9.87% 13.54%	1
		2. 63.6% 6.76% 10. NIL	
		3. 76% 7.87% 11.45%	
		4. 11% 8.63.6% 12.NIL	
Dr. Reddy's lab	June 4, July 31, Aug 26, Oct. 24, Jan 28	1. 100% 4.90% 7.100% 10.40%	1
		2. 100% 5.100% 8.100% 11.60%	
		3. 100% 6.100% 9.100%	
ITC	22 May, 26 July, 11 July, 24 Oct, 31 Dec, 17 Jan, 28 March.	(Here Meeting Wise Data Available)	1
		1. (.85%).(85%) 7.(100%)	
		2. (78%)5.(77%)	
		3. 3.(86%)6.(85%)	
ICICI Bank	NM	NM	0
Bharti Ent.	May 31, July 5, Oct 29, Jan 14	1. 100% 5.-9.74% 13.NM 17.25%	1
		2. 74%6.50%10.100%14.100%	
		3. 25%, 74% 11.NM 15.50%	
		4. 50% 8. NM12.50%16.74%	

HDFC	May 7, July 8, Oct 13, Jan 16	1. 100% 4.100% 7.NM 10.60% 2. 80%. 100% 8.100% 11.80% 3. 80%6.100%9.80%	1
INFOSYS	March 31, April 10, June 14, July 10, Oct 18, Jan 19	1. 100% 4.85% 7.65% 10.100% 2. 100% 5.85% 8.65%11.100% 3. 85% 6.55% 9.45% 12.100% 13. & 14 100%	1
HLL	Jan 29, April 16, June 20, July 13, Oct 28, Oct 30, Dec 18	1. 87.5% 5.88% 10.63% 2. 100%38% 3. 88%8.85% 4. 88%9.75%	1
Total			9

Data mentioned in above table reveals that except ICICI all the top ten companies have disclosed the information of attendance of Board in Board meetings.

(II)

Table 3.2.15.2

Disclosure about attendance of directors in Board meetings of the top IT companies

Expected score =10

Company	Dates (2002-2003)	Attendance (Director wise)	Points
Info Tech	April 24, July 22, Oct 23, Jan 31	1. 100% 4.25% 7.50% 2. 10% 5.78% 3. 25% 6.100%	1
Patni	Feb 16, June 6, Aug. 12, Dec 8, March 2, April 27	1. 100% 4.100 7.50% 10.50% 13. 2. 100% 5.50% 8- 11- 3. 100% 6.50% 9.50% 12.50%	1
NIIT	Oct 16, Oct 23, Nov 7, 23 Dec, 14 Dec, 20 Dec, 23 Jan 14 Feb, 20 March, 27 March, 19 April, 22 May, 16 July, 19 July, 6 Sept.	1. 83% 4.80% 7.56% 2. 33% 5.80% 8.80% 3. 87% 6.53%	1
Mastek	July 11, Aug 13, Aug 13, Aug 23, Oct 10, Jan 12, Jan 13, March 5, April 8, April 9, July 19, June 20,	1. 100% 4.55% 7.45% 2. 90% 5.56% 100% 3. 100% 6.65% 9.35%	1
Zensar	24 April, 25 July, 21 Oct, 26 Jan	1. 100% 4. 100% 7.50% 10.25% 2. 50% 5.50% 8. 100% 11.100% 3. 100% 6. 100% 9.100%	1
HCL	June 30, Aug 29, Sep 30, Oct 21, Dec 18, Jan 22, Feb 5, April 26, May 8,	1. 85% 4.100% 7.38% 10.100% 2. 100% 5.100% 8.50% 11.- 3. 75% 6.75% 9.43%	1
Sonata	17 April, 25 July, 11 Oct, 27 Jan	1. 75% 4.100% 7.75% 2. 100% 5.100% 8. - 3. 100% 6.75%	1
Mrotek	24 April, 23 June, 29 July, 6 August, 29 Oct, 29 Jan	1. 100% 3.15% 5 85% 2. 100% 4.100% 6.100%	1

Javelin	29 April, 30 July, 31 Oct, 31 Jan	1. 100% 3. 75% 5. 100% 2. 75% 4. 100% 6. 100%	1
Tata Infotech	6 June, 23 July, 8 Aug, 3 Oct, 29 Oct, 21 Dec, 24 Jan, 6 March	1. 100% 3. 65% 5. 85% 7. - 2. 100% 4. 85% 6. 50% 8. 100%	1
Total			10

These tabulated data unveils the important accept of corporate governance that all the directors of Board has individually attended particular period of Board meeting almost all the companies have disclosure the information.

(III)

Table 3.2.15.3

Disclosure about attendance of directors in Board meetings of the top Pharma and health care companies.

Expected score=10

Company	Dates (2002-2003)	Attendance (Director wise)	Points
Novartis	26 May, 29 July, 30 Oct, 30 Jan	1. 50% 3. 100% 5. 75% 7. 25% 2. 100% 4. 100% 6. 250%	1
Cipla	24 April, 24 July, 4 Sept, 22 Oct, 18 Jan	1. 80% 3. 100% 5. 60% 7. 40% 9.80% 2. 100% 4. 100% 6. 80% 8. 100% 10.80%	1
Bio Con	17 May, 18 July, 18 Oct, 17 Jan	1. 100% 4. 100% 7. 15% 2. 100% 5. 75% 3. 100% 6. 100%	1
Cadila	1 April, 18 April, 15 May, 25 July, 20 Aug, 25 Sept, 24 Oct, 15 Jan, 29 Jan.	1. 100% 3. 100% 5. 55% 7. 25% 2. 55% 4. 86% 6. 55% 8. 12%	1
Merck	27 Jan, 20 March, 15 April, 22 July, 15 Oct,	1. 100% 4. - 7. 100% 2. 100% 5. 100% 8. 80% 3. 40% 6. 60% 9. 80%	1

Pharmacia	Jan 31, March 21, April 29, July 31 Oct,	1. 40% 4.- 7.100% 10.100% 2. 60% 5.60% 8.80% 3. 40% 6.60% 9.80%	1
Glaxo Kline	31 Jan, 16 April, 25 July, 23 Oct, 10 Dec.	1. 100% 5. 100% 9.80% 13. - 2. 100% 6.100% 10.40% 14.80% 3. 80% 7.80% 11- 15.- 4. 100% 8.100% 12.-	1
Lupin	20 May, 24 July, 2 Sept, 29 Oct, 28 Jan.	1. 100% 3.20% 5. 100% 7. 9.50% 2. 2. 80% 4. 80% 8. - 10.40%	1
Pfizer	7 Dec, 6 Feb, 31 March, 30 June, 26 Sept	1. 14% 4. - 7. - 10.100 2. 80% 5. - 8. 100% 11.100% 3. - 6. - 9. 100%	1
Aventis	25 Feb, 28 April, 25 June, 29 July, 17 Oct, 27 Now	1. 85% 4.85% 7. - 10.85% 2. - 5. 100% 8. 11.35% 3. 100% 6. - 9. - 12. 15%	1
Total			10

As the data mentioned above of top pharma companies reflects that the companies like novartis, Clipa, Cadila, Merck, Aventis, BioCon, Glaxo, Pfizer, upin and Pharmacia have disclosed complete information related to directors' attendance in Board meetings.

(IV)**Table 3.2.15.4**

Disclosure about attendance of directors in Board meetings of the top Banking and financial service sector companies.

Expected score=10

Company	Dates (2002-2003)	Attendance (Director wise)	Points
Reliance Capital	April 23, April 28, June 28, July 29, Oct. 15, Jan 28	1. 100% 2. 85% 3. 100% 4. 100% 5. 85% 6. 65% 7. 85%	1
Global Trust bank	April 20, May 8, June 3, July 24 Aug. 16, Sept 5, Sept 27, Oct 28, Oct 29, Nov 27, Jan 18, Jun 28, Feb 10, Feb 21, Feb 27, March 8, March 21, March 28, March 31	1. 100% 2. 100% 3. 100% 4. 100% 5. 85% 6. 85% 7. 61% 8. 38% 9. 38% 10. 30% 11. 100%	1
Bank of Punjab	27 May, July 1, July 30, Sep 21, Oct 30 Dec 2 Dec 30, Jan 31, March 27	1. 100% 2. 78% 3. 78% 4. 100% 5. 100% 6. 100% 7. 100% 8. - 9. 78% 10. 11% 11. - 12. 80% 13. 100x	1
Corporation Bank	June, 14 July, 26 July, 23 Aug, 11 Sept, 3 Oct, 27 Nov, 29 Dec, 14 Jan, 31 Jan, 13 Feb, 9 March, 27 March	3. 94% 7. 82.3% 4. 10% 8. 88.23% 5. 100% 9.100% 6. 100% 10. 94%	1
UCO Bank	26 April, 19 May, 12 June, 18 July, 22 August, 30 Sept. 1 Oct, 28 Oct., 2 Nov., 24 Dec., 22 Jan., 22 Feb., 25 March	1. 100% 5. 75% 9. 100% 13. 14% 2. 100% 6. 60% 10. 62% 14. 85% 3. 85% 7. 100% 11. 92% 15. 92% 4. - 8. 85% 12. 92%	1
KarurVysya Bank	29 April, 30 April, 23 May, 24 May, 27 June, 28, June, 15 July, 16 July, 29, July, 27 Aug, 28 Aug, 26 Sep, 27 Sep, 16 Oct, 25 Oct, 26 Oct, 26 Nov, 27 Nov, 23 Dec, 24 Dec, 21 Jan, 22 Jan, 31 Jan, 26 Feb, 25 March, 26 March,	1. 85% 4. 81% 48% 10. 10.96% 2. 14% 5. 87% 8.96% 11.87% 3. 81% 6. 96% 9. 85%	1

Kotak Mahindra Bank	20 May, 23 June, 31 July, 22 Oct, 27 Jan,	1. 100% 4. 60% 7. 80% 10. 100% 2. 100% 5. 100% 8. 80% 3. 40% 6. 60% 9. 80%	1
Bank of Maharashtra	26 April, 28 May, 28 June, 23 Aug, 17 Sept, 20 Oct, 29 Nov, 31 Dec, 31 Jan, 30 March, 31 Marhc,	1. 100% 4. 100% 7. 100% 10. 100% 2. 100% 5. 100% 8. 100% 11. 100% 3. 100% 6. 100% 9. 100% 12. 100%	1
Allahbad Bank	26 April, 16 May, 28 June 25 July, 25 Aug, 27 Sep, 15 Oct, 24 Dec, 14 Jan, 25 Feb.	1. 23% 4. 73% 7. 73% 10. 90% 2. 100% 5. 1% 8. 85% 11. 90% 3. 100% 6. 85% 9. 23% 12. 85% 4. 44%	1
The Karnatak Bank	24 April, 31 May, 27 June, 31 July, 26 Aug, 26 Sept, 28 Oct, 29 Nov, 14 Dec, 17 Jan, 30 Jan, 30 Jan, 7 Feb, 27 Feb.	1. 100% 4. 100% 7. 79% 10. 93% 2. 93% 5. 100% 8. 83% 3. 100% 6. 100% 9. 80%	1
Total			10

The data mentioned above shows that all banking and financial service companies have disclosed data of director difference in Board Meeting.

(V)

Table 3.2.15.5

Disclosure about attendance of directors in Board meetings of the top FMCG companies

Expected score=10			
Company	Dates (2002-2003)	Attendance (Director wise)	Points
Navneet Pub.	27 Sept, 14 Dec, 28 Jan, 30 April, 28 May, 29 July, 28 Sep, 29 Nov, 29 Jan	1. 65% 5. 54% 9.35% 13. 25% 17.70% 2. 100 6.65% 10. % 14 . 35%	1
Titan	May2, June 26, July 31, Aug 13, 24 Sep 30 Oct , 30 Nov, 25 Jan, 31 March.	1. 36% 4. 87% 7. 100% 10.54% 2. 36% 5. 45% 8. 87% 11.64% 3. 54% 6. NM 9. 87%	1
Nirma	6 June, 2 July, 30 July, 9 Sep, 7 Oct, 28 Oct, 28 Jan, 21 March.	1. 100% 4. 100% 7. 100% 10. 85% 2. 75% 5. 55% 8. 85% 3. 50% 6. 85% 9. 65%	1
Brittania Ind.	4 June, 31 July, 6 Aug, 28 Oct, 23 January	1. 100% 4. 100% 7. 14% 10. 40% 2. 100% 5. 40% 8. 80% 3. 100% 6. 60% 9. 100%	1
Asian Paints	28 May, 23 July, 18 Oct, 30 Oct, 28 Jan, 12 Feb, 27 March	1. 100% 5. 85% 9. 100% 13. 85% 2. 100% 6. 100% 10. 85% 14. 100% 3. 100% 7. 100% 11. 85% 4. 100% 8. 100% 12. 57%	1
Dabur	16 May, 23 July, 25 Sep, 4 Nov, 28 Jan,	1. 100% 4. 100% 7. 100 10. 60% 2. 60% 5. 100% 8. 100% 3. 60% 6. 100% 9. 20%	1
Nestle	20 Feb, 7 March, 30 April, 31 July, 31 Oct, 5 Dec.	1. 83.3% 4.- 2. 100% 5. 66.67% 3. 83.3% 6. 16.67%	1

Bata	5 Feb, 28 March, 8 April, 27 June, 31 July, 23 Oct.	1. 100% 4. 100% 17% 10.17% 2. 2.83% 5. 100% 8.63% 11. - 3. 100% 6. 100% 9.63% 12. -	1
RayBan	13 March, 26 March, 29 April, 27 May, 30 July, 29 Sept, 22 Oct, 30 Nov.	1. 12.5% 4. 12.5% 7.87.5% 2. - 5.87.5% 8.87.5% 3. 12.5% 6.87.5% 9.87.5%	1
Colgate	May 3, June 30, July 29, Aug 19, Oct 8, Oct 23, Nov 15, Dec 18, Jan 31 Feb5, March 6, March 19	1. 20% 4. 90% 7. 100% 2. 75% 5. 100% 8.80% 3. 100% 6.100% 9.25%	1
Total			10

The Board attendance in different Board meeting of top FMCG companies here been tabulated above and all the companies hare disclosed this information.

(VI)

Table 3.2.15.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	9
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	49

$$\begin{aligned} \text{Corporate Governance Index} &= \frac{49}{50} \times 100 \\ &= 98 \% \end{aligned}$$

Researcher has found out from the analysis of tabulated data, and then after she has made an attempt to compare tabulated data through corporate governance index formula and has come to know that sampled group has disclosed 98% of out of total 100% disclosure which reflects disclosure is efficiently disclosed.

XVI Disclosure about Board meetings number.

As per the corporate Governance norms, each listed company is supposed to held at least four Board meetings in a year. Researcher has collected information on this relevance's and project data as below.

(I)

Table 3.2.16.1

Disclosure about Board meetings and its number of overall top 10 companies

Expected score=10

Company	Less Than 4	Equal to 4	5 to 8	9 or More	Points
Reliance Ind.	-	✓	-	-	1
Wipro Ltd.	-	✓	-	--	1
Infosys	-	-	✓	-	1
ITC	-	-	✓	-	1
HDFC	-	-	✓	-	1
ICICI Bank	NM	-	-	-	0
Bharti Ent.	-	✓	-	-	1
Dr. Reddy's lab	-	✓	-	-	1
Ranbaxy	-	-	-	✓	1
HLL	-	-	✓		1
Total		4	4	1	9

As the data mentioned above of the overall top 10 companies related to the Board meeting number reveals that how many time did the board meetings were held /in a year. In this we can see that Reliance, Wipro, Dr, Reddys lab, and Bharti televenture have called 4 time meeting. while the companies like infosys tand ITC have called the meetings in between 5 to 8 times and Dr. Reddys lab has called more than 9 times the board meetings.

(II)

Table 3.2.16.2

Disclosure about Board meetings and its number of overall top IT companies

Expected score=10

Company	Less Than 4	Equal to 4	5 to 8	9 or More	Points
Info tech	-	✓	-	-	1
Patni	-	-	✓	-	1
NIIT	-	-	-	✓	1
Mastek	-	-	-	✓	1
Zensar	-	✓	-	-	1
HCL	-	-	-	-	1
Sonata	-	✓	-	-	1
Mortek	-	-	✓	-	1
Javelin	-	✓	-	-	1
Tata Infotech	-	-	✓	-	1
Total	-	4	4	2	10

As the data mentioned above of the IT companies related to the Board meeting number reveals that how many time did the board meetings were held /in a year. In this we can see that Infotech, Zensar, Sonata, and javelin have called 4 time meeting. While the companies like Patni, HCL, Mrotek and tata infotech have called the meetings in between 5 to 8 times and Niit and Mastek have called more than 9 times the board meetings.

(III)**Table 3.2.16.3**

Disclosure about Board meetings and its number of Pharma & Health care companies.

Expected score=10

Company	Less Than 4	Equal to 4	5 to 8	9 or More	Points
Novarties	-	✓	-	-	1
Cipla	-	-	✓	-	1
Bio Con	-	✓	-	-	1
Cadila	-	-	-	✓	1
Merck	-	-	✓	-	1
Pharmacia	-	-	✓	-	1
Glaxo Smith Kline	-	-	✓	-	1
Lupin	-	-	✓	-	1
Pfizer	-	-	✓	-	1
Aventis	-	-	✓	-	1
Total	-	2	7	1	10

As the data mentioned above of the Pharma companies related to the Board meeting number reveals that how many time did the board meetings were held /in a year. In this we can see that Novartis and Biocon have called 4 time meeting. While the companies like Clipa, Pharmacia, Glaxo smithkline, Lupin, Pfizer, Merck, and Aventis have called the meetings in between 5 to 8 times and Cadila has called more than 9 times the board meetings.

(IV)

Table 3.2.16.4

Disclosure about Board meetings and its number of Banking and Financial Service companies.

Expected score=10

Company	Less Than 4	Equal to 4	5 to 8	9 or More	Points
Corporation Bank	-	-	-	✓	1
UCO Bank	-	-	-	✓	1
KarurVysya Bank	-	-	-	✓	1
Kotak Mahindra Bank	-	-	✓		1
Bank of Maharashtra	-	-	-	✓	1
Allahbad Bank	-	-	-	✓	1
The Karnatak Bank	-	-	-	✓	1
Reliance Capital	-	-	✓		1
Global Trust Bank	-	-	-	✓	1
Bank of Punjab	-	-	-	✓	1
Total	-	-	2	8	10

As the data mentioned above of the top banking and financial services related to the Board meeting number reveals that how many time did the board meetings were held /in a year. In this we can see that the Banks, like Karurvysya bank and Reliance capital have called the meetings in between 5 to 8 time. While the companies like Corporation bank, Uco bank, Kotak mahindra bank, Bank of Punjab, Bank of Maharashtra, the Karnataka bank Allahbad bank & Global trust bank have called the meetings more than 9 times the board meetings.

(V)

Table 3.2.16.5

Disclosure about Board meetings and its number of FMCG companies.

Expected score=10

Company	Less Than 4	Equal to 4	5 to 8	9 or More	Points
Navneet Publication	-	-	-	✓	1
Titan	-	-	-	✓	1
Nirma	-	-	✓	-	1
Brittania Ind.	-	-	✓	-	1
Asian Paints	-	-	✓	-	1
Dabur	-	-	✓	-	1
Nestle	-	-	✓	-	1
Bata	-	-	✓	-	1
RayBan	-	-	✓	-	1
Colgate	-	-	-	✓	1
Total	-	--	7	3	10

As the data mentioned above of FMCG companies related to the Board meeting number reveals that how many time did the board meetings were held /in a year. In this we can see that the companies like Dabur Brittania, Asian paints, Nestle, Bata, ans Rayban, have arranged the meeting in between 5 to 8 times and Navneet Titan and Colgate have called more than 9 times the board meetings.

(VI)

Table 3.2.16.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	9
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	49

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{49}{50} \times 100 \\ &= 98\%\end{aligned}$$

Comparative analysis table reflects that sampled group has disclosed almost 98% out of total 100% disclosure. .

XVII Disclosure about Board meetings intervals.

This disclosure points out that the duration of interval between two board meeting should not more than 4 months. Researcher has evaluated this disclosure as interval more than 3 monthly Not more than 3 months and according data has been classified.

(I) Table 3.2.17.1

Disclosure regarding intervals in between Board meetings of overall top ten companies. Expected score=10

Company	Internal More than 3 months	No More than 3 months	Points
Reliance Ind.	–	✓	1
Wipro Ltd.	✓	–	1
Infosys	–	✓	1
ITC	–	✓	1
HDFC	✓	–	1
ICICI Bank	–	✓	1
Bharti Ent.	–	✓	1
Dr. Reddy's lab	✓	–	1
Ranbaxy	–	✓	1
HLL	–	✓	1
Total	3	7	10

The analysis of the top 10 companies related to the interval between two Board meetings reveals that the companies like Wipro, HDFC and Dr. Reddys lab have the interval of more than three months in their Board meetings While the companies like Reliance, ICICI, Ranbaxy, ITC, Hindustan Lever, Bharti Televenture, an Infosys do not have the gape or we can say that interval in between the two baord meetigns are not more than three months or 90 days.

So we can say that these companies are following the norms of the Corporate governance not completely.

(II) Table 3.2.17.2

Disclosure regarding intervals in between Board meetings of IT companies. Expected score=10

Company	Internal More than 3 months	No More than 3 months	Points
Info tech	✓	–	1
Patni	–	✓	1
NIIT	–	✓	1
Mastek	–	✓	1
Zensar	–	✓	1
HCL	–	✓	1
Sonata	✓	–	1
Mortek	✓	–	1
Javelin	✓	–	1
Tata Infotech	–	✓	1
Total	4	6	10

The above analysis of the top IT companies related to the interval between two Board meetings reveals that the companies like Infotech, Sonata, Microtek and Javelin have the interval of more than three months in

their Board meetings While the companies like Patni, NIIT, Zensar, Mastek, HCL and Tata infotech do not have the gape or we can say that interval in between the two board meetings are not more than three months or 90 days.

So one can say that these companies are following the norms of the Corporate governance not completely.

(III)

Table 3.2.17.3

Disclosure regarding intervals in between Board meetings of Pharma and Health care Companies. Expected score=10

Company	Internal More than 3 months	No More than 3 months	Points
Novarties	–	✓	1
Cipla	–	✓	1
Bio Con	–	✓	1
Cadila	✓	–	1
Merck	✓	–	1
Pharmacia	✓	–	1
Glaxo Smith Kline		✓	1
Lupin	–	✓	1
Pfizer	–	✓	1
Aventis	–	✓	1
Total	3	7	10

The above analysis of the top Phatma and Health care companies related to the interval between two Board meetings reveals that the companies like Cadila, Merk, and Pharmacia have the interval of more than three months in their Board meetings While the companies like Novartis, Cipla, Biocon, Glaxo Smithkline, Lupin, Pfizer, and Aventis do not have the gape or we can say that interval in between the two board meetings are not more than three months or 90 days. So one can say that these companies are following the norms of the corporate governance not completely.

(IV)

Table 3.2.17.4

Disclosure regarding intervals in between Board meetings of Top Banking and Financial service sector Companies.

Expected score=10

Company	Internal More than 3 months	No More than 3 months	Points
Corporation Bank	–	✓	1
UCO Bank	–	✓	1
KarurVysya Bank	–	✓	1
Kotak Mahindra Bank	✓	–	1
Bank of Maharashtra	–	✓	1
Allahbad Bank	–	✓	1
The Karnatak Bank	–	✓	1
Reliance Capital	✓	–	1
Global Trust Bank	–	✓	1
Bank of Punjab	–	✓	1
Total	2	8	10

The above analysis of the top Banking and Financial Services sector companies related to the interval between two Board meetings reveals that the companies like Kotak Mahindra Bank and Reliance Capital have the interval of more than three months in their Board meetings While the companies like Corporation Bank, Kruru Vyasya Bank, Allahbad Bank, Karnatak Bank, Global Trust Bank, Uco Bank, Bank of Maharashtra and Bank of Punjab do not have the gape or we can say that interval in between the two board meetings are not more than three months or 90 days.

So we can say that these companies are following the norms of the Corporate governance not completely.

(V)

Table 3.2.17.5

Disclosure regarding intervals in between Board meetings of Top FMCG Companies. Expected score=10

Company	Internal More than 3 months	No More than 3 months	Points
Navneet Publication	-	✓	1
Titan	-	✓	1
Nirma	-	✓	1
Brittania Ind.	-	✓	1
Asian Paints	-	✓	1
Dabur	-	✓	1
Nestle	-	✓	1
Bata	-	✓	1
RayBan	-	✓	1
Colgate	--	✓	1
Total	-	10	10

The above analysis of the top FMCG companies related to the interval between two Board meetings reveals that the companies like Navneet, Titan, Asian Paints, Nestle, Nirma, Dabur, Bata Rayban, Brittania, and Colgate do not have the two board meetings are not more than three months or 90 days.

So we can say that these companies are following the norms of the Corporate governance not completely.

(VI)

Table 3.2.17.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100$$

$$= 100 \%$$

Comparative analysis and corporate governance index reflects that all the sampled groups have disclosed 100% data and it is highly disclosed disclosure.

XVIII Disclosure of average of Board members attendance in Board members attendance Board Meeting

This disclosure is very important disclosure as it directly reflects the efficiency and dedication of Board towards company. The following tables shows each sampled group's disclosure.

(I) Table 3.2.18.1

Disclosure about average % of member present in board meeting of overall best top ten companies. Expected score=10

Company	0-40 %	41-49 %	50-74 %	75% More	Points
Reliance Ind.	—	—	—	✓	1
Wipro Ltd.	—	—	✓	—	1
Infosys	—	—	—	✓	1
ITC	—	—	—	✓	1
HDFC	—	—	—	✓	1
ICICI Bank	—	NM	—	—	0
Bharti Ent.	—	—	✓	—	1
Dr. Reddy's lab	—	—	—	✓	1
Ranbaxy	—	—	✓	—	1
HLL	—	—	✓	—	1
Total			4	5	9

Analysis of the Average percentage of the Board members who have remain present discloses that whether the Board members are attaining the required no. of the meetings or not. Here the data related to the Top ten companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies Wipro ltd., Bharti tele venture, Ranbaxy and Hindustan Lever Ltd.'s B.O.D have attended the meetings in between 50-74% While the companies like Reliance, Infosys, ITC, HDFC, and Dr. Reddys lab B.O.D. Have attended more than 75% of the Board meetings out of total meetings.

While ICICI have not mentioned the information

(II)

Table 3.2.18.2

Disclosure about average % of member present in board meeting of IT companies. Expected score=10

Company	0-40%	41-49%	50-74%	75% More	Points
Info tech	—	—	✓	—	1
Patni	—	—	✓	—	1
NIIT	—	—	✓	—	1
Mastek	—	—	—	✓	1
Zensar	—	—	✓	—	1
HCL	—	—	✓	—	1
Sonata	—	—	—	✓	1
Mortek	—	—	—	✓	1
Javelin	—	—	—	✓	1
Tata Infotech	—	—	✓	—	1
Total			6	4	10

Analysis of the Average percentage of the Board members who have remain present discloses that whether the Board members are attaining the required no. of the meetings or not. Here the data related to the Top IT

companies disclose that the company's directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies Infotech, Patni, Zensar, NIIT, HCL and Tata infotech. s B.O.D have attended the meetings in between 50-74% While the companies like Mastek, Sonata Mrotek and Javelin attended more than 75% of the Board meetings out of total meetings.

(III)

Table 3.2.18.3

Disclosure about average % of member present in board meeting of Pharma and Health care companies. Expected score=10

Company	0-40 %	41-49%	50-74%	75% More	Points
Novarties	—	✓	✓	—	1
Cipla	—	—	✓	—	1
Bio Con	—	—	—	✓	1
Cadila	—	—	✓	—	1
Merck	—	—	✓	—	1
Pharmacia	—	—	✓	—	1
Glaxo Smith Kline	—	—	—	✓	1
Lupin	—	—	✓	—	1
Pfizer	—	✓	—	—	1
Aventis	✓	—	—	—	1
Total	1	1	6	2	10

Analysis of the Average percentage of the Board members who have remain present discloses that whether the Board members are attaining the required no. of the meetings or not. Here the data related to the Top IT companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies which has disclosed that their B.O.D have attended the meetings up to the 40% is

Aventis. While the companies like Novartis, Cipla, Cadila, Merck, Pharmacia, and Lupins's B.O.D. have attended the meetings in between 50-74% While the companies like Biocon and Glaxo Smithkline have attended more than 75% of the Board meetings out of total meetings.

(IV) Table 3.2.18.4

Disclosure about average % of member present in board meeting of top Banking and financial service companies. Expected score=10

Company	0-40%	41-49%	50-74%	75% More	Points
Corporation Bank	—	—	—	✓	1
UCO Bank	—	—	—	✓	1
KarurVysya Bank	—	—	—	✓	1
Kotak Mahindra Bank	—	—	✓	—	1
Bank of Maharashtra	—	—	✓	—	1
Allahbad Bank	—	—	—	✓	1
The Karnatak Bank	—	—	—	✓	1
Reliance Capital	—	—	—	✓	1
Global Trust Bank	—	—	✓	—	1
Bank of Punjab	—	—	—	✓	1
Total			3	7	10

Analysis of the Average percentage of the Board members who have remain present discloses that whether the Board members are attaining the required no. of the meetings or not. Here the data related to the Top IT companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies Kotak mahindra Bank, Bank of Maharashtra and Reliance Capital's B.O.D have attended the meetings in between 50-74%. While the companies like Corporation Bank, Uco Bank, Kururvysya Bank, Allahbad Bank, The

Karnataka Bank, Global trust bank and Bank of Punjab B.O.D. Have attended more than 75% of the Board meetings out of total meetings.

(V)

Table 3.2.18.5

Disclosure about average % of member present in board meeting of top FMCG companies. Expected score=10

Company	0-40 %	41-49 %	50-74 %	75% More	Points
Navneet Publication	–	✓	–	–	1
Titan	–	✓	–	–	1
Nirma	–	–	✓	–	1
Brittania Ind.	–	–	–	–	1
Asian Paints	–	–	–	✓	1
Dabur	–	–	✓	–	1
Nestle	–	–	✓	–	1
Bata	–	–	✓	–	1
RayBan	–	✓	–	–	1
Colgate	–	–	✓	–	1
Total		3	6	1	10

Analysis of the Average percentage of the Board members who have remain present discloses that whether the Board members are attaining the required no. of the meetings or not. Here the data related to the Top IT companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies like Navneet, Titan, and Rayban's B.O.D have attended the meetings in between 41-49%. While the companies like Nirma, Dabur, Nestle, Bata and Colgate's B.O.D. have attended the meetings in between 50-74%. While the company Asian Paint's B.O.D. have attended more than 75% of the Board meetings out of total meetings.

(VI)

Table 3.2.18.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100$$

$$= 100 \%$$

The disclosure about average percentage of Board members remained present in Board meeting has been efficiently disclosed among sampled group companies.

XIX Disclosure of average Member present in Board Committee Meeting.

Analysis of the Average percentage of the Board members who have remain present discloses that whether the Board members are attaining the required no. of the Board committee meetings or not.

(I)

Table 3.2.19.1

Disclosure of attendance of B.O.D in Board committee meetings of overall top 10 companies.

Expected score=10

Company	0-40%	41-49%	50-74%	75% More	Points
Reliance Ind.	—	—	✓	—	1
Wipro Ltd.	—	—	—	✓	1
Infosys	—	—	✓	—	1
ITC	—	—	—	✓	1
HDFC	—	—	—	✓	1
ICICI Bank	—	—	✓	—	1
Bharti Ent.	—	—	✓	—	1
Dr. Reddy's lab	—	—	—	✓	1
Ranbaxy	—	—	—	✓	1
HLL	—	—	—	✓	1
Total			4	6	10

Here the data related to the Top overall best companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies like Reliance, Infosys, ICICI and Bharti televenture's B.O.D have attended the meetings in between 50-74% While the companies like Wipro, ITC, HDF, Dr. Reddys lab, Ranbaxy and Hindustan Lever ltd's B.O.D. Have attended more than 75% of the Board meetings out of total meetings.

(II)

Table 3.2.19.2

Disclosure of attendance of B.O.D in Board committee meetings of overall top IT companies.

Expected score=10

Company	0-40%	41-49%	50-74%	75% More	Points
Info tech	—	—	✓	—	1
Patni	—	✓	—	—	1
NIIT	—	—	✓	—	1
Mastek	—	—	✓	—	1
Zensar	—	—	✓	—	1
HCL	—	—	✓	—	1
Sonata	—	—	✓	—	1
Mortek	—	—	✓	—	1
Javelin	—	—	—	✓	1
Tata Infotech	—	—	✓	—	1
Total		1	8	1	10

Here the data related to the Top IT companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies like Patni's B.O.D. have attended the meetings in between 50-74% While the companies like Infotech, Mastek, Mrotek, HCL, Sonata, Tata infotech, Zensar, and NIIT'S B.O.D. Have attended the meetings in between 50-74% While the company Javelin's B.O.D have attended more than 75% of the Board meetings out of total meetings.

(III)**Table 3.2.19.3**

Disclosure of attendance of B.O.D in Board committee meetings of top Pharma and Health Care companies.

Expected score=10

Company	0-40 %	41-49 %	50-74 %	75% More	Points
Novarties	—	—	✓	—	1
Cipla	—	—	✓	—	1
Bio Con	—	—	—	✓	1
Cadila	—	—	—	✓	1
Merck	—	—	—	✓	1
Pharmacia	—	—	—	✓	1
Glaxo Smith Kline	—	—	✓	—	1
Lupin	—	—	—	✓	1
Pfizer	—	—	—	✓	1
Aventis	—	—	—	✓	1
Total			3	7	10

Here the data related to the Top Pharma and Health care companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies like Patni's B.O.D. have attended the meetings in between 50-74% or 75% more. The companies like Novartis, Cipla, and Glaxo Smithkline's B.O.D. have attended the meetings in 50-74% While the company Biocon, Cadila, Pfizer, Aventis, Merck, Lupin and Pharmacia B.O.D have attended more than 75% of the Board meetings out of total meetings.

(IV)

Table 3.2.19.4

Disclosure of attendance of B.O.D in Board committee meetings of Banking and Financial sector companies.

Expected score=10

Company	0-40 %	41-49 %	50-74 %	75 % More	Points
Corporation Bank				✓	1
UCO Bank				✓	1
KarurVysya Bank			✓		1
Kotak Mahindra Bank				✓	1
Bank of Maharastra			✓		1
Allahbad Bank				✓	1
The Karnatak Bank				✓	1
Reliance Capital				✓	1
Global Trust Bank				✓	1
Bank of Punjab			✓		1
Total			3	7	10

Here the data related to the Top Banking and Financial service sector companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies like Patni's B.O.D. have attended the meetings in between 50-74% or 75% more. The companies like Karurvyasya Bank, Bank of Maharastra, and Bank of Punjab's B.O.D. have attended the Board committee meetings in between 50-74% While the company like Corporation Bank, Uco Bank, Allahbad Bank, Kotak Mahindra Bank, Karnataka Bank, Reliance Capital, and Global Trust Bank's B.O.D. have attended more than 75% of the Board meetings out of total meetings.

(V)

Table 3.2.19.5

Disclosure of attendance of B.O.D in Board committee meetings of top FMCG companies.

Expected score=10					
Company	0-40%	41-49%	50-74%	75% More	Points
Navneet Publication	—	—	✓	—	1
Titan	—	—	✓	—	1
Nirma	—	—	—	✓	1
Brittania Ind.	—	—	—	✓	1
Asian Paints	—	—	—	✓	1
Dabur	—	—	—	✓	1
Nestle	—	—	—		1
Bata	—	—	—	✓	1
RayBan	—	—	—	✓	1
Colgate	—	—	✓		1
Total			3	7	10

Here the data related to the Top FMCG companies discloses that the companies directors are following the rules or not. The Criteria are that whether directors have attended up to 40% meeting or in between 41 to 49%, or 50-74% or 75% more. The companies like Patni's B.O.D. have attended the meetings in between 50-74% or 75% more. The companies like Navneet, Titan, and Colgate's B.O.D. have attended the Board committee meetings in between 50-74%. While the company like Nirma, Brittania, Dabur, Nestle, Bata, Rayban and Asian Paint's B.O.D. have attended more than 75% of the Board meetings out of total meetings.

Researcher has tabulated collected information in comparative analysis table and evaluated disclosure through corporate Governance Index.

(VI)

Table 3.2.19.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

50

Corporate Governance Index = $\frac{\quad}{50} \times 100$

50

= 100 %

Evaluation of the disclosure reveals that the disclosure is completely disclosed and sampled group companies have disclosed this data.

XVI Disclosure about agenda and information send in advance.

This to be known that the fact that the data or the information send to the board member has to reach in advance and in the proper way it means the board of directors must be well informed proper way it means the board of directors must be well informed about the Agenda and all necessary information with which they have concerned. It is the aspect to be taken in to consideration that all the board of directors should be well prepared before the meeting starts. The matter are reaching to the director in what time is analyzed over here. Whether the data is send before 15 days or they are sent before 1 week or less than 1 week, or they are send just before the starting of the meeting.

(I)

Table 3.2.20.1

Disclosure about agenda and Information circulated among board members of overall top 10 companies.

Expected score=10

Company	15 days advance	1 week before	Less than 1 week before	Just before start of meeting	Points
Reliance Ind.	–	✓	–	–	1
Wipro Ltd.	–		✓	–	1
Infosys	–	✓	–	–	1
ITC	–	–	✓	–	1
HDFC	–	–	NM	–	0
ICICI Bank	–	–	NM	–	0
Bharti Ent.	–	–	NM	–	0
Dr. Reddy's lab	–	–	NM	–	0
Ranbaxy	–	–	NM	–	0
HLL	–	–	NM	–	0
Total		2	2		4

As the data mentioned above unveil the fact that the companies belonging to the overall top ten best category have send the data in the proper time or not they have sent the information to he B.O.D. in the prescribed time or not in that the companies like Reliance and Infosys are sending the information before 7 days to the directors while the companies Wipro and ITC are sending he information less than 1 week. And the other companies have not mentioned the information he companies like ICICI, HDFC, Bharti tele venture, Dr. Reddys lab., Ranbaxy and Hindustan lever.

(II)

Table 3.2.20.2

Disclosure about agenda and Information circulated among board members of overall top 10 companies.

Expected Score = 10

Company	15 days advance	1 week before	Less than 1 week before	Just before start of meeting	Points
Info tech	–	NM	–	–	0
Patni	–	NM	–	–	0
NIIT	–	NM	–	–	0
Mastek	✓	–	–	–	1
Zensar	–	NM	–	–	0
HCL	–	NM	–	–	0
Sonata	–	NM	–	–	0
Mortek	–	NM	–	–	0
Javelin	–	NM	–	–	0
Tata Infotech	–	NM	–	–	0
Total	1				1

As the data mentioned above unveil the fact that the companies belonging to the IT category have send the data in the information except the company HCL which send the data to the Board of director just before the start of the meeting while the other companies like Infotech, Mastek, Mrotek, Patni, Sonata, Tat infotech, Zensar, Javelin and NIIT.

(III)**Table 3.2.20.3**

Disclosure about agenda and Information circulated among board members of top Pharma and Health care companies.

Expected Score = 10

Company	15 days advance	1 week before	Less than 1 week before	Just before start of meeting	Points
Novarties	NM	NM	NM	NM	0
Cipla	NM	NM	NM	NM	0
Bio Con	NM	NM	NM	NM	0
Cadila	NM	NM	NM	NM	0
Merck	NM	NM	NM	NM	0
Pharmacia	NM	NM	NM	NM	0
Glaxo Smith Kline	NM	NM	NM	NM	0
Lupin	NM	NM	NM	NM	0
Pfizer	NM	NM	NM	NM	0
Aventis	NM	NM	NM	NM	0
Total					0

As the data mentioned above of the top pharma and health care companies, not a single company is discloses the information related to the sending of the information the companies like Novartis, Cipla, Glaxo Smithkline Biocon, Cadila, Pfizer, Aventis, merck, Lupin and Pharmacia have NOT MENTIONED the darta.

(IV)

Table 3.2.20.4

Disclosure about agenda and Information circulated among board members of Banking and financial services sector units.

Expected Score = 10

Company	15 days advance	1 week before	Less than 1 week before	Just before start of meeting	Points
Corporation Bank	NM	NM	NM	NM	0
UCO Bank	NM	NM	NM	NM	0
KarurVysya Bank	NM	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	NM	0
Bank of Maharastra	NM	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	NM	0
The Karnatak Bank	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	NM	0
Total					0

As the data mentioned above of the top banking and financial service sector units analyses the information related to the sending of the information to the Board of directors and in what time. The companies belonging to the this categories have not mentioned the information towards the stake holders the banks like Kururvyasya Bank, Bank of Maharastra, and Bank of Punjab Corporation Bank, Uco Bank, Allahbad Bank, Kotak Mahindra bank, Karnataka bank, Reliance capital, and Global Trust bank.

(V)

Table 3.2.20.5

Disclosure about agenda and Information circulated among board members of top FMCG companies.

Expected Score = 10

Company	15 days advance	1 week before	Less than 1 week before	1st before start of meeting	Points
Navneet Publication	NM	NM	NM	NM	0
Titan	NM	NM	NM	NM	0
Nirma	NM	NM	NM	NM	0
Brittania Ind.	NM	NM	NM	NM	0
Asian Paints	NM	NM	NM	NM	0
Dabur	NM	NM	NM	NM	0
Nestle	NM	NM	NM	NM	0
Bata	NM	NM	NM	NM	0
RayBan	NM	NM	NM	NM	0
Colgate	NM	NM	NM	NM	0
Total					0

As the data mentioned above of the top FMCG companies, analyses the information related to the sending of the information to the Board of directors and in what time. The companies belonging to the this categories have not mentioned the information towards the stake holders the banks like Navneet, Titan and Colgate Corporation Bank, Uco Bank, Allahbad Bank, Kotak Mahindra bank, Karnataka bank, Reliance capital and Global Trust bank, Nirma, Brittania, Dabur, Nestle, Bata, Rayban and Asian Paint.

(VI)

Table 3.2.20.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	4
IT	10	1
Pharma & Health care	10	0
Banking & Financial Service	10	0
FMCG	10	0
Total	50	5

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{5}{50} \times 100 \\ &= 10 \%\end{aligned}$$

As comparative analysis and corporate Governance index reflects that the data related to agenda and information send to directors before Board meetings is being least disclosed.

XXI Disclosure about agenda circulated among board.

As the corporate governance analyze the performance of the Board in relation of the company. Here we analyze the quality of the information sending to the director.

(I)

Table 3.2.21.1

Disclosure about information circulated among board members
[Information] of top ten companies.

Expected Score = 40

Company	Only Agenda	Agenda with prescribed information	Detail description seek by any director	Agenda & prescribed information as per the listing agreement	Points
Reliance Ind.	—	—	—	✓	1
Wipro Ltd.	—	—	✓	—	1
Infosys	—	—	✓	—	1
ITC	✓	—	—	—	1
HDFC		—	✓	—	1
ICICI Bank	✓	—	—	—	1
Bharti Ent.	✓	—	—	—	1
Dr. Reddy's lab	✓	—	—	—	1
Ranbaxy	✓	—	—	—	1
HLL	✓	—	✓	—	1
Total	5		4	1	10

As the data metnioned of the top ten best companies reveals the fact that Reliacne company send the information in form of Agendas along with the prescribed information While the companies like Bharti televenture, ICICI, Dr. Reddys lab, Ranbaxy, & ITC us sending the information in form of only Agenda. While the companies like Wipro, Infosys, and HDFC send the information in form of Agenda along with the prescribed information seek by the directors.

(II)

Table 3.2.21.2

Disclosure about Information circulated among board members
[Information] of IT companies.

Expected Score = 40

Company	Only Agenda	Agenda with prescribed information	Detail description seek by any director	Agenda & prescribed information as per the listing agreement	Points
Info tech	NM	—	—	—	0
Patni	✓	—	—	—	1
NIIT	✓	—	—	—	1
Mastek	✓	—	—	—	1
Zensar	✓	—	—	—	1
HCL	✓	—	—	—	1
Sonata	✓	—	—	—	1
Mortek	✓	—	—	—	1
Javelin	NM	—	—	—	0
Tata Infotech	✓	—	—	—	1
Total					8

As the corporate governance analyze the performance of the Board in relation of the company. Here we analyze the quality of the information sending to the director. Whether it is sent in the form of Agenda or detail information as required by the Board of director As the data mentioned of the top IT companies reveals the fact that the companies like Mastek, Mrotek, Patni, Sonata, Zensar, and NIIT company send the information in form of only Agenda. While the companies like infotech, Javelin and tata infotach do not disclose the related data.

(III)**Table 3.2.21.3**

Disclosure about information circulated among board members
[Information] of top Pharma and Health care companies.

Expected Score = 40

Company	Only Agenda	Agenda with prescribed information	Detail description seek by any director	Agenda & prescribed information as per the listing agreement	Points
Novarties	NM	–	–	–	0
Cipla	NM	–	–	–	0
Bio Con	–	–	NM	–	0
Cadila	–	–	✓	–	1
Merck	–	–	✓	–	1
Pharmacia	–	–	✓	–	1
Glaxo Smith Kline	–	–	NM	–	0
Lupin	–	–	NM	–	0
Pfizer	–	–	NM	–	0
Aventis	–	–	NM	–	0
Total			3		3

As the corporate governance analyze the performance of the Board in relation of the company. Here we analyze the quality of the information sending to the director. Whether it is sent in the form of Agenda or detail information as required by the Board of director As the data mentioned of the top IT companies reveals the fact that the companies like Mastek, Mrotek, Patni, Sonata, Zensar, and NIIT company send the information in form of only Agenda. While the companies like Infotech, Javelin and Tata infotach do not disclose the related data.

(IV)

Table 3.2.21.4

Disclosure about information circulated among board members
[Information] of top Banking and Financial Service sector.

Expected Score = 40

Company	Only Agenda	Agenda with prescribed information	Detail description seek by any director	Agenda & prescribed information as per the listing agreement	Points
Corporation Bank	✓	—	—	—	1
UCO Bank	✓	—	—	—	1
KarurVysya Bank	NM	—	—	—	0
Kotak Mahindra Bank	NM	—	—	—	0
Bank of Maharashtra	NM	—	—	—	0
Allahbad Bank	✓	—	—	—	1
The Karnatak Bank	✓	—	—	—	1
Reliance Capital	NM	—	—	—	0
Global Trust Bank	NM	—	—	—	0
Bank of Punjab	NM	—	—	—	0
Total	4				4

As the corporate governance analyze the performance of the Board in relation of the company. Here we analyze the quality of the information sending to the director. Whether it is sent in the form of Agenda or detail information as required by the Board of director As the data mentioned of the top Banking and financial service sector units reveals the fact that the companies like Corporation Bank, Uco bank, Karnataka bank and Allahabad banks send the information in form of only Agenda. While the bank like Kotak mahindra bank gives full

information to the directors & banks like Karurvysysa bank, Bank of Maharashtra, Global trust bank and bank of Punjab do not disclose the related data.

(V) **Table 3.2.21.5**

Disclosure about Information circulated among board members
[Information] of top FMCG companies. Expected Score = 40

Company	Only Agenda	Agenda with prescribed information	Detail description seek by any director	Agenda & prescribed information as per the listing agreement	Points
Navneet Publication	NM				0
Titan	✓				1
Nirma	✓				1
Brittania Ind.	✓				1
Asian Paints				✓	1
Dabur					0
Nestle	NM				0
Bata	NM				0
RayBan	NM				0
Colgate	NM				0
Total					4

As the corporate governance analyze the performance of the Board in relation of the company. Here we analyze the quality of the information sending to the director. Whether it is sent in the form of Agenda or detail information as required by the Board of director As the data mentioned of the top FMCG reveals the fact that the companies like Titan, Britannia, Nirma, and Bata send the information in form of only Agenda. While the companies like Dabur and Asian paints give full information to the directors & banks like Navneet, Nestle, Rayban, and Colgate do not disclose the related data.

(VI)

Table 3.2.21.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	40	10
IT	40	8
Pharma & Health care	40	3
Banking & Financial Service	40	4
FMCG	40	4
Total	200	29

29

$$\text{Corporate Governance Index} = \frac{\quad}{200} \times 100$$

= 14.5%

Researcher has evaluated this disclosure by comparative analysis and through corporate governance index but this disclosure has been poorly disclosure as it reflects that only 14.5% out of total 100% disclosure.

XXII Disclosure about absenteeism of any director and his reappointment.

This disclosure to the if any Board of director remained absent in the 50% or more of the meeting and still reappointed as the director verifies the fact that the company must disclose that all of their Board of directors are attaining the required no. of the meeting and any of the Director, if, does not follow than is not eligible to be reappointment.

(I)**Table 3.2.22.1**

Disclosure about any director of company if remained absent in more than fifty % of board meeting of top ten best companies.

Expected Score = 10

Company	Yes	No	Points
Reliance Ind.	–	✓	1
Wipro Ltd.	–	✓	1
Infosys	–	✓	1
ITC	–	✓	1
HDFC	–	✓	1
ICICI Bank	–	✓	1
Bharti Ent.	–	✓	1
Dr. Reddy's lab	–	✓	1
Ranbaxy	–	✓	1
HLL	–	✓	1
Total		10	10

An analysis of the top ten best company shows that not a single director is being reappointed by such virtue. The companies like Reliance, Wipro, Infosys, ITC, ICICI, HDFC, Bharti televenture, Dr, Reddys lab, Ranbaxy and Hindustan lever have not reappointed such director for that.

(II)**Table 3.2.22.2**

Disclosure about any director of company if remained absent in more than fifty % of board meeting of top IT companies. Expected Score = 10

Company	Yes	No	Points
Info tech	–	✓	1
Patni	–	✓	1
NIIT	–	✓	1
Mastek	–	✓	1
Zensar	–	✓	1
HCL	–	✓	1
Sonata	–	✓	1
Mortek	–	✓	1
Javelin	–	✓	1
Tata Infotech	–	✓	1
Total		10	10

An analysis of the top IT company shows that not a single director is being reappointed by such virtue. The companies like Infotech, Mastek, Mrotek, HCL, Sonata, Tata infotech, Zensar, and NIIT have not reappointed such director for that.

(III)

Table 3.2.22.3

Disclosure about any director of company if remained absent in more than fifty % of board meeting of top Pharma and Health Care companies.

Expected Scpre = 10

Company	Yes	No	Points
Novarties	–	✓	0
Cipla	–	✓	0
Bio Con	–	✓	0
Cadila	–	✓	1
Merck	–	✓	1
Pharmacia	–	✓	0
Glaxo Smith Kline	NM	–	1
Lupin	✓	–	1
Pfizer	✓	–	1
Aventis	–	✓	1
Total	2	7	9

An analysis of Pharma and Health care companies shows that not a single director is being reappointed by such virtue. The companies like Novartis, Ciopla, Biocon, Cadila, Merck, Pharmacia, and Aventis have not reappointed such director for that. While the companies like Lupin and and Pfizer have reappointed such directors.

While Glaxo Smithkline have not mentioned such data.

(IV)

Table 3.2.22.4

Disclosure about any director of company if remained absent in more than fifty % of board meeting of top Banking and Financial service sector companies.

Expected Score = 10

Company	Yes	No	Points
Corporation Bank	–	✓	1
UCO Bank	–	✓	1
KarurVysya Bank	–	✓	1
Kotak Mahindra Bank	–	✓	1
Bank of Maharastra	–	✓	1
Allahbad Bank	–	✓	1
The Karnatak Bank	–	✓	1
Reliance Capital	–	✓	1
Global Trust Bank	–	✓	1
Bank of Punjab	NM	–	0
Total		9	9

An analysis of the Banking companies shows that not a single director is being reappointed by such virtue. The companies like Karurvyasya Bank, Bank of Maharastra, and Corporation Bank, Uco Bank, Allahbad Bank, Kotak Mahindra Bank, Karnatak bank Reliance capital, and Global Trust bank have not reappointed such director for that.

Bank of Punjab has not disclosed the data.

(V)

Table 3.2.22.5

Disclosure about any director of company if remained absent in more than fifty % of board meeting of top FMCG companies.

Expected Score = 10

Company	Yes	No	Points
Navneet Publication	NM	–	0
Titan	NM	–	0
Nirma	–	✓	1
Brittania Ind.	NM	–	0
Asian Paints	–	✓	1
Dabur	–	✓	1
Nestle	–	✓	1
Bata	–	✓	1
RayBan	–	✓	1
Colgate	–	✓	1
Total		7	7

An analysis of the top FMCG companies shows that not a single director is being reappointed by such virtue. The companies like Nestle, Rayban, Colgate Bata, Asian Paints, Nirma and Dabur have not reappointed such director for that.

While the companies belonging to the category of FMCG like Navneet, Titan, and Brittania have not disclosed the information.

(VI)

Table 3.2.22.6

Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	9
Banking & Financial Service	10	9
FMCG	10	7
Total	50	45

$$\text{Corporate Governance Index} = \frac{45}{50} \times 100$$

$$= 90\%$$

This Disclosure has been highly disclosed as the Index reflects 90% out of 100%

XXIII Disclosure about compliance officer.

The compliance officer means the person responsible for the compliance of the law and every rules and regulation of the companies act and other related concerns.

(I) Table 3.2.23.1

Disclosure about compliance officer of overall top ten companies.

Expected Score = 10

Company	Company Secretary	Any other officer	Points
Reliance Ind.	✓	—	1
Wipro Ltd.	50%	50%	1
Infosys	✓	—	1
ITC	✓	—	1
HDFC	✓	—	1
ICICI Bank	✓	—	1
Bharti Ent.	✓	—	1
Dr. Reddy's lab	✓	—	1
Ranbaxy	✓	—	1
HLL	✓	—	1
Total			10

As the data mentioned above discloses that the analysis of the compliance officer of top ten best companies reveals that they have

Company Secretary as the compliance officer except wipro in which the responsibility of compliance officer is handled by both company secretary as well as other officer also. The Companies like Reliance, Infosys, ITC, ICICI, HDFC, Bharti televenture, Dr. Reddys lab, Ranbaxy and Hindustan lever have company secretary as compliance officer.

(II) Table 3.2.23.2

Disclosure about compliance officer of overall top IT companies.

Expected Score = 10

Company	Company Secretary	Any other officer	Points
Info tech	✓	–	1
Patni	✓	–	1
NIIT	✓	–	1
Mastek	✓	–	1
Zensar	✓	–	1
HCL	✓	–	1
Sonata	✓	–	1
Mortek	✓	–	1
Javelin	✓	–	1
Tata Infotech	✓	–	1
Total	10		10

As the data mentioned above discloses that the analysis of the compliance officer of top IT companies reveals that they have Company Secretary as the compliance officer Companies like Infotech, Mastek, Mrotek, HCL, Sonata, Tata infotech, Zensar, and NIIT, Patni and Javelin have company secretary as compliance officer.

(III)**Table 3.2.23.3**

Disclosure about compliance officer of top Pharma and health care companies.

Expected Score = 10

Company	Company Secretary	Any other officer	Points
Novarties	✓	–	1
Cipla	✓	–	1
Bio Con	✓	–	1
Cadila	✓	–	1
Merck	✓	–	1
Pharmacia	✓	–	1
Glaxo Smith Kline	✓	–	1
Lupin	✓	–	1
Pfizer	✓	–	1
Aventis	✓	–	1
Total	10		10

As the data mentioned above discloses that the analysis of the compliance officer of top Pharma and health care companies reveals that they have Company Secretary as the compliance officer Companies like Novartis, Ciopla, Biocon, Cadila, Merck, Pharmacia, Aventis a Lupin and Pfizer have company secretary as compliance officer.

(IV)

Table 3.2.23.4

Disclosure about compliance officer of top Banking and financial service sector companies.

Expected Score = 10

Company	Company Secretary	Any other officer	Points
Corporation Bank	–	✓	1
UCO Bank	–	✓	1
KarurVysya Bank	–	–	1
Kotak Mahindra Bank	✓	–	1
Bank of Maharashtra	–	✓	1
Allahbad Bank	–	✓	1
The Karnatak Bank	✓	–	1
Reliance Capital	✓	–	1
Global Trust Bank	NM	–	0
Bank of Punjab	NM	–	0
Total			8

As the data mentioned above discloses that the analysis of the compliance officer of top Banking and Financial Service companies reveals that they have Company Secretary as the compliance officer. Companies like Karurvyasya Bank, Bank of Maharashtra, and Corporation Bank, Uco Bank, Allahbad Bank,, Kotak Mahindra bank, Karnataka Bank, Reliance capital have company secretary as compliance officer.

While the companies like GTB and Bank of Punjab have not disclosed such information.

(V)

Table 3.2.23.5

Disclosure about compliance officer of top FMCG companies.

Expected Score = 10

Company	Company Secretary	Any other officer	Points
Navneet Publication	NM	–	0
Titan	✓	–	1
Nirma	✓	–	1
Brittania Ind.	NM	–	0
Asian Paints	✓	–	1
Dabur	✓	–	1
Nestle	✓	–	1
Bata	✓	–	1
RayBan	✓	–	1
Colgate	✓	–	1
Total	8		8

As the data mentioned above discloses that the analysis of the compliance officer of top FMCG companies reveals that they have Company Secretary as the compliance officer Companies like Nestle, Rayban, Colgate Bata, Asian Paints, Nirma and Dabur, Titan, and have company secretary as compliance officer.

While the company like Navneet and Brittania have not mentioned the information.

Researcher has collected data through publish annual reports and analyzed it through comparative analysis in following manner.

(VI)

Table 3.2.22.6
Comparative Analysis of Disclosure

Group	Expected Score	Actual Score
Overall top ten	10	10
IT	10	10
Pharma & Health care	10	10
Banking & Financial Service	10	8
FMCG	10	8
Total	50	46

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{46}{50} \times 100 \\ &= 92\%\end{aligned}$$

This Disclosure has been efficiently disclosure.

The researcher has evaluated each parameter and for further classification. Researcher has employed Anova test for development of the hypothesis.

ANALYSIS OF PARAMETER WISE DISCLOSURE

Corporate governance is a system, which helps the management for transparent operations. It also brings some uniformity for the disclosure of various parameters regarding corporate governance. In this chapter researcher has discussed the boards of directors and management structure. The summary of disclosure about board and management structure in various groups has been summarized as under

Each parameter then classified in the category in following manner

Category	Percentage	Classification
A	75% to 100%	Highly efficient
B	50% to 75%	Moderately efficient
C	Less than 50%	Least efficient

Category A indicates highly efficiently disclosed parameter and category B indicates moderately disclosed parameter while category C indicates least disclosed parameter.

Researcher has evaluated each of the part respectively mentioned in the chapter 3, chapter 4 , chapter 5 and chapter 6. Then researcher has developed the hypothesis testing through F-Test.

Following are the list of the parameters of the chapter 3 that is related with the disclosure of the Board and Management Structure.

Analysis of table 3.3.1

As mentioned in the table total 23 parameters have been included in the chapter as the corporate governance disclosure norms. Out of total 23 parameters 16 parameters have been efficiently disclosed with A rank and 2 parameters have been considered as moderately disclosed while 5 parameters have been lest disclosed.

Table 3.3.1

The Score points and respective index of the parameters of the CG disclosure in relation to the Board and Management Structure

Parameters	Overall top ten	IT	Pharma and healthcare	Banking & financial services	FMCG	Score%	Rank
Number of B.O.D. and independent B.O.D.	20	20	20	20	20	100	A
Nature of Relationship among the directors	17	2	6	4	14	12.29	C
Category of Chairman	10	10	10	10	10	100	A
Category of Chairman & independent directors	20	20	20	20	20	100	A
% of independent directors to the total directors	10	10	10	10	10	100	A
Directors holding directorship in more than 15 co.	0	1	2	0	0	6	C
Office of chairman and chief Executive officer	10	10	10	10	10	100	A
Written code of conduct	10	10	10	10	10	100	A
Forma policy of succession planning	10	10	10	10	10	100	A
Internal trading transaction prevented	10	10	10	10	10	100	A
Structural training programme	10	10	10	10	10	100	A

Board committee Existence	34	32	27	36	29	52.6	B
Attendance in board committee	32	26	23	28	26	54	B
Chairman of the Board Committee meeting	10	10	10	10	10	100	A
Attendance of the Board meeting	9	10	10	10	10	98	A
Number of the Board meeting	9	10	10	10	10	98	A
Intervals of the Board meetings	10	10	10	10	10	100	A
Average member present in the board meetings	9	10	10	10	10	98	A
Attendance (%) of the Board in the Board meetings	10	10	10	10	10	100	A
Agenda and information circulated before the Board meeting	4	1	0	0	0	10	C
Specification about the information circulated	10	8	3	4	4	14.5	C
Attendance of any director less than 50% in B.O.D. meetings	10	10	9	9	7	90	A
Compliance officer	10	10	10	8	8	92	A
Total (B)	284	260	250	259	252		
Expected score (A)	430`	430	430	430	430		
B/A	66%	60%	58%	60%	58.6%		

Further researcher would like to know the level of significant difference of corporate governance index regarding board and management structure. For this purpose researcher has used ANOVA test.

Hypothesis testing

Ho (null hypothesis) There would be no significant difference in corporate governance score index of various groups of companies

Table 3.3.2

ANOVA table of hypothesis testing

Sources of Variance	SS	d.f.	MS	F ratio	5%F limit (Table Value)
Between the sample	31	5-1=4	31/4=7.55	0.14	F (4,110)=3.48
With in the Sample	5945	115-5=110	5945/110=54		
Total	5976	115-1=114			

The calculated value of f is 0.14 and table value at 5% level of significance is 3.48. f value is lower than the table value. So the null hypothesis would be accepted. Which indicates that within a group the companies without significant difference have disclosed various parameters

CHAPTER – 4

CORPORATE GOVERNANCE TRANSPARENCY AND DISCLOSURE

“Transparency is the core aspect of corporate governance”

Each and every stakeholder expects transparency from the management, because stakeholders cannot get total idea inside management practices, by just referring to the Balance sheet of the firm. They must be aware about essential aspects like how much remuneration is drawn by directors, what criteria are used by company for directors appointment and reappointment, and if company has internal share trading with the promoters, directors or any relative of firm, whether it is recorded or not. This is because sometimes directors drawn more salary and commission for the work which they have not attempted, for this purpose Corporate governance norms explain that every company must disclose about the pay scale and criteria for scale so that investors will not doubt in the financial position of company.

Another important aspect in the transparency is commission paid to the non-executive directors; because what amount of commission non-executive director draws makes impact on stakeholders trust. Audit committee and remuneration committee decides and fix up the sitting fees and above that the commission should not be paid. Sitting fees are decided in advance and has to be agreed by all the directors. It should also be as per rules of organization. If commission is paid above the fees, the company should mention the reason.

In addition to the commission to the non executive direction, one important disclosure is disclosure as per clause 49 of the listing agreement

which includes detail aspect of general disclosure supposed to be expressed by company in front of shareholders, such are,

- Data, time and venue of AGM
- Financial calendar
- Dates of Book closures
- Dividend payment dates
- Listing on stock exchanges
- Stock code
- Market price data of last year
- Performance comparison
- Registrar and transfer agent
- Share transfer system
- Distribution of share holding
- Categories of shareholding
- Top ten share holders of company
- Change in equity capital during the financial year
- Outstanding GDRS / ADR/ Warrants
- Convertible dates and likely importation equity
- Plant location.
- Address for correspondence.
- General body meetings
- Details of last 3 AGM
- Special Resolution put through postal ballots
- Material and financial transaction by management
- Non compliance by company and penalties imposed by SEBI
- Industry structure and development
- Opportunities and threats

- Outlook
- Material development in HR front
- Internal control and their adequacies
- Discussion of financial performance with respect to operational performance
- Product details about segment wise performance
- Details or department like R & D,
- Reporting on conciliation of account with GAAP
- Means of communication

All above-mentioned items are analysed by researcher in each sampled group companies.

In addition to this these general disclosure some specific disclosure are required to be disclosed in front of shareholder, one of them is loans and advances given to the group companies. That means whether company has given any loans and advance to the group company i.e. subsidiaries or affiliated company. If such loans and advances are given then its financial information should be given in the annual reports of the company, Another important aspect which is vital disclosure includes that whether company has received any loan or advances from group company. If such advances or loans are taken it is one type of financial burden for the company, which a company has to fulfill in future, so such disclosure has to be compressed by company in front of shareholder.

When company gives loans and advances, how much percentage of loans is given out of total loans is also important disclosure.

Each and every company should not be remaining silent in corporate governance disclosure. If company remains silent, the investors will raise voice and they will doubt about the transparency.

As the history is the proof for this that our domestic as well as foreign companies have faced the problem of financial crisis and forced in to economic problem due insufficient support from investors. So each firm needs faith of investor for long-term survival. And for faith of investor company needs to provide each and every detail of company to them though disclosure.

For this purpose corporate governance norms contains total 16 aspects, which are required to be disclosed. Many of them are mandatory in nature. Researcher has evaluated total disclosures made by the company with required or expected disclosures and found that which disclosure is efficiently disclosed and which disclosure is least disclosed, each disclosure is followed with comparative analysis of disclosure and researcher has made an attempt to check efficiency of disclosure through following index formula.

$$\text{Corporate Governance Index} = \frac{\text{Total disclosure}}{\text{Expected disclosure}} \times 100$$

4.1 Transparency in Disclosure

As discussed earlier, there is great deal of importance is given to the transparency in disclosure. If company remains transparent in disclosure creditors trust and corporation can be improved like.

- Investors evaluate the company as highly efficient company and market value of firm may go high.
- Loyalty of investors toward company increases and they provide their “NOD” for every aspect.
- It transparency is mandatory as per the corporate governance norms hence it is also advantageous for company if remain transparent.

- If firm remains transparent it becomes efficient in overall work and it leads to increase in overall increase in firms value.
- Apart from increase in market value it can be imaged as ethical business and it can also attract maximum FDI and FII.
- The picture of overall economy also changes as efficiency of economy is directly related with efficiency of corporate sector.

In today's trend it become essential to survive in global trends by accepting norms accepted by global corporate world, Corporate governance is one of the parameters that is expectancy of every global investor.

Hence Transparency has greater significance in corporate governance,

4.3 Data Analysis

Researcher has analyzed annual reports of sampled group companies and collected data have been tabulated and each disclosure has evaluated with comparative analysis after comparative analysis researcher has checked efficiency of disclosure through corporate governance index.

I Disclosure about transparency as per clause 49 of listing agreement

As per clause 49 of listing agreement there should be necessarily disclosure which are known as general disclosure which are necessary for shareholders information.

(I)

Table 4.3.1.1

Information about transparency and Disclosure of overall top ten best companies.

Expected Score = 340

	Reliance	Points	Wipro	Points	ITC	Points	HDFC	Points	ICICI	Points	HLL	Points	Dr. Reddy's Lab	Points	Ranbaxy	Points	Bharti Enter.	Points	Infosys	Points
Date time and venue of AGM	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Financial Calendar	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dates of book Closures	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dividends payment date	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Listing on Stock Exchanges	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Stock Code	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Market Price Data for each month of last financial year	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Performance in comparison to board based indices	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Registrar and transfer Agent-Address, Phone, Fax, e-mail	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Share transfer system/Dematization and liquidity	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Distribution of Shareholding	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Categories of Shareholding in the format specified in clause 35 of the listing agreement.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1

[illegible]

Above table relieve what all the companies have disclosed the information in Annual report so the disclosure score is an under.

From the above disclosure index researcher has ranked all top ten companies group as highly efficient in disclosure towards shareholders in general disclosure.

(II)

Table 4.3.1.2

Information about transparency and disclosure of IT companies

Expected Score = 340																				
Date time and venue of AGM	Infotech	Points	Patni	Points	Mastek	Points	Mrotek	Points	Javelin	Points	Sonata	Points	HLC	Points	Tata Infotech	Points	NIIT	Points	Zensar	Points
Financial Calendar	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dates of book Closures	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dividends payment date	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Listing on Stock Exchanges	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Stock Code	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Market Price Data for each month of last financial year	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Performance in comparison to board based indices	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Registrar and transfer Agent-Address, Phone, Fax, e-mail	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Share transfer system/Dematerialization and liquidity	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Distribution of Shareholding	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Categories of Shareholding in the format specified in clause 35 of the listing agreement.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Top ten share holders of the Company.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1

[illegible]Corporate Governance Index = 100% ($^{340}_{340} * 100$)

As above disclosure indicates all it companies have disclosed all the general disclosure towards shareholders and thus their disclosure index is an under.

This reflects It companies above mentioned have disclosed all the necessary, information in their annual reports.

(III)**Table 4.3.1.3**

Information about transparency and Disclosure of Pharma and health care companies.

Expected Score = 340

Date time and venue of AGM	Novartis	Points	Clipa	Points	Cadila	Points	Pharmacia	Points	Merck	Points	Lupin	Points	Glaxo smithkline	Points	Aventis	Points	Biocon	Points	Pfizer	Points
Financial Calendar	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dates of book Closures	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dividends payment date	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Listing on Stock Exchanges	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Stock Code	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Market Price Data for each month of last financial year	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Performance in comparison to board based indices	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Registrar and transfer Agent-Address, Phone, Fax, e-mail	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Share transfer system/Dematization and liquidity	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Distribution of Shareholding	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Categories of Shareholding in the format specified in clause 35 of the listing agreement.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1

[illegible]

The data tabulated in the above table mentioned that all Pharma and Healthcare companies have disclosed necessary information required by the corporate governance norms to be disclosed to shareholders thus their index is an under.

The disclosure index is 100% which means in the matter of general disclosure Pharma companies are efficient

(IV)**Table 4.3.1.4**

Information about transparency and Disclosure of Banking and Financial Service sector companies.

Expected Score = 340

Date time and venue of AGM	Corpo. Bank	Points	Uce Bank	Points	Karur V. Bank	Points	Kotak M. Bank	Points	Reliance Capital	Points	BOM	Points	BOP	Points	All Bank	Points	Karna Bank	Points	Global T. Bank	Points
Financial Calendar	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dates of book Closures	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dividends payment date	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Listing on Stock Exchanges	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Stock Code	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Market Price Data for each month of last financial year	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Performance in comparison to board based indices	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Registrar and transfer Agent-Address, Phone, Fax, e-mail	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Share transfer system/Dematerialization and liquidity	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Distribution of Shareholding	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Categories of Shareholding in the format specified in clause 35 of the listing agreement.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1

[illegible]

Above mentioned Banking sector funds have disclosed all the general information in their annual reports hence, their corporate governance index is.

The disclosure is 100% thus researcher has ranked above banking and financial service sector firms as highly efficient disclosed firms.

(V)

Table 4.3.1.5

Information about transparency and Disclosure of FMCG companies.

Date time and venue of AGM	Navneet	Points	Titan	Points	Dabur	Points	Nirma	Points	Rayban	Points	Colgate	Points	Nestle	Points	Bata	Points	Asian Paints	Points	Britannia	Points
Financial Calendar	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dates of book Closures	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Dividends payment date	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Listing on Stock Exchanges	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Stock Code	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Market Price Data for each month of last financial year	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Performance in comparison to board based indices	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Registrar and transfer Agent-Address, Phone, Fax, e-mail	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Share transfer system/Dematerialization and liquidity	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Distribution of Shareholding	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Categories of Shareholding in the format specified in clause 35 of the listing agreement.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1
Top ten share holders of the Company.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1

Expected Score = 340

(VI)

Table 4.3.1.6

Comparative analysis of disclosure

Groups	Expected Score of Disclosure	Actual Score
Overall top ten	340	340
IT	340	340
Pharma and Health care	340	340
Banking and financial services	340	340
FMCG	340	340
Total	1700	1700

$$\text{Corporate Governance index} = \frac{1700}{1700} \times 100$$

$$= 100 \%$$

Researcher has evaluated through comparative analysis of disclosure and corporate governance index that general disclosure is disclosed efficiently as its index is 100%.

II Disclosure of Remuneration package of directors.

This disclosure throws light on how much remuneration is being drawn by director of company.

Each group's disclosers have been tabulated and evaluated by researcher.

(I)

Table 4.3.2.1

Disclosure related to remuneration package of overall top ten companies

Expected Score = 40

Company	All elements	Points	Per. criteria	Points	Contract	Points	Stock option plan	Points	Total
Reliance Ind.	✓	1	XNM	0	NM	0	NM	0	1
Wipro Ltd.	✓	1	NM	0	NM	0	NM	0	1
Ranbaxy	✓	1	NM	0	NM	0	NM	0	1
Dr. Reddy's Lab	✓	1	NM	0	NM	0	NM	0	1
ITC	✓	1	NM	0	NM	0	NM	0	1
ICICI Bank	✓	1	NM	0	NM	0	NM	0	1
Bharti Ent.	✓	1	NM	0	NM	0	NM	0	1
Infosys	✓	1	NM	0	NM	0	NM	0	1
HDFC	✓	1	NM	0	NM	0	NM	0	1
HLL	✓	1	NM	0	NM	0	NM	0	1
Total	10	10	NM	0	NM	0	NM	0	10

Above table reveal data about remuneration policy and the total related maximum score can be 40 to each point company.

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{10}{25\%} 100 \\ &= 25\%\end{aligned}$$

This disclosure score is quite less than expected hence, it can be concluded that, the sampled units have disclosed this aspect properly,.

(II)

Table 4.3.2.2

Disclosure related to remuneration package of IT companies

Expected score=40

Company	All elements	Points	Per. criteria	Points	Contr act	Points	Stock option plan	Points	Total
Info tech	✓	1	✓	1	✓	1	✓	1	4
Patni	✓	1	✓	1	✓	1	✓	1	4
NUT	✓	1	✓	1	✓	1	–	0	3
Mastek	✓	1	✓	1	✓	1	✓	1	4
Zensar	✓	1	✓	1	✓	1	✓	1	4
HCL	✓	1	✓	1	✓	1	✓	1	4
Sonata	✓	1	✓	1	✓	1	✓	1	4
Mro tek	✓	1	✓	1	✓	1	✓	1	4
Javelin	✓	1	✓	1	✓	1	–	0	3
Tata Infotech	✓	1	✓	1	✓	1	–	0	3
Total	10	10	10	10	10	10	7		37

In the above mentioned table of remuneration package of direction of IT companies, It is unveiled that out of total 40 score companies hare disclosed 37 score Hence,

$$\text{Corporate Governance Index} = \frac{37}{40} \times 100 = 92.5\%$$

The sampled units highly efficiently disclose this disclosure.

(III)**Table 4.3.2.3**

Disclosure related to remuneration package of Pharma and health companies

Expected score =40

Company	All elements	Points	Per. criteria	Points	Contract	Points	Stock option plan	Points	Total
Novartis	✓	1	✓	1	✓	1	✓	1	4
Cipla	✓	1	✓	1	✓	1	✓	1	4
Bio Con	✓	1	✓	1	✓	1	–	0	3
Cadila	✓	1	✓	1	✓	1	✓	0	3
Merck	✓	1	✓	1	✓	1	✓	1	4
Pharmacia	✓	1	✓	1	✓	1	✓	1	4
Glaxo Smith Kline	✓	1	✓	1	✓	1	✓	1	4
Lupin	✓	1	✓	1	✓	1	✓	1	4
Pfizer	✓	1	✓	1	✓	1	✓	1	4
Aventis	✓	1	✓	1	✓	1	–	0	3
Total	10	10	10	10	10	10	7	7	37

Remuneration Package indicates Salary, Bonus, Stock option and other incentives. All such disclosures are not disclosed by group companies, is evaluated by researcher. Above data is of Pharma and health care companies, their index is as under:

$$\text{Corporate Governance Index} = \frac{37}{40} \times 100\% = 92.5$$

This score is above 90% hence it is good.

Thus corporate governance index indicates that Pharma companies have taken this matter properly and disclosed it in efficient manner.

(IV)

Table 4.3.2.4

Disclosure related to remuneration package of Banking and financial service companies.

Expected score=40

Company	All elements	Points	Per. criteria	Points	Contr act	Points	Stock option plan	Points	Total
Corporation Bank	✓	1	✓	1	✓	1	✓	1	4
UCO Bank	✓	1	✓	1	✓	1	✓	1	4
Karur xysya Bank	✓	1	✓	1	✓	1	–	0	3
Kotak Mahindra Bank	✓	1	✓	1	✓	1	–	0	3
Bank of Maharastra	✓	1	✓	1	✓	1	✓	1	4
Allahbad Bank	✓	1	✓	1	✓	1	✓	1	4
The Karnatak Bank	✓	1	✓	1	✓	1	✓	1	4
Reliance Capital	✓	1	✓	1	✓	1	–	0	3
Global trust Bank	✓	1	✓	1	✓	1	–	0	3
Bank of Punjab	✓	1	✓	1	✓	1	–	0	3
Total	10	10	10	10	10	10	5	5	35

Above data is of remuneration package of directors in Banking companies and their disclosure index is :

$$\text{corporate governance Index} = \frac{35}{40} \times 100$$

$$= 87.5\%$$

The disclosure has gained 87.5% and hence Banking companies have disclosed information better than other groups.

(V)

Table 4.3.2.5

Disclosure related to remuneration package of FMCG companies.

Expected score=40

Company	All elements	Points	Per. criteria	Points	Contr act	Points	Stock option plan	Points	Total
Navneet Pub.	✓	1	✓	1	✓	1	0	0	4
Titan	✓	1	✓	1	✓	1	0	1	4
Nirma	✓	1	✓	1	✓	1	0	0	3
Brittania Ind.	✓	1	✓	1	✓	1	0	0	3
Asian Paints	✓	1	✓	1	✓	1	✓	1	4
Dabur	✓	1	✓	1	✓	1	0	0	4
Nestle	✓	1	✓	1	✓	1	0	0	4
Bata	✓	1	✓	1	✓	1	0	0	3
RayBan	✓	1	✓	1	✓	1	0	0	3
Colgate	✓	1	✓	1	✓	1	0	0	3
Total	10	10	10	10	10	10	1	1	31

Above data is of remuneration package of directors in Banking companies and their disclosure index is :

$$\text{corporate governance Index} = \frac{31}{40} \times 100$$

$$\text{Score} = 77.5$$

The disclosure reveals that the remuneration disclosure is good of FMCG group.

Researcher has evaluated all the 5 groups through comparative analysis.

(VI)

Table 4.3.2.6

Comparative analysis is of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	40	10
2)	IT	40	37
3)	Pharma and health care	40	37
4)	Banking and financial service	40	35
5)	FMCG	40	31
Total		200	150

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{150}{200} \times 7.5\% \\ &= 75\%\end{aligned}$$

The overall comparative index is 75% of all groups. It indicates that is bitterly disclosed item.

III Disclosure about appointment or reappointment of director.

This disclosure throws light on how many things are referred by particular company when they appoint at reappoint any director.

This disclosure is very important as directors are responsible for management of company and hence they must fulfill certain criteria of selection.

Researcher has calculated data of sampled group and analyzed as under.

(I)

Table 4.3.3.1

Disclosure about appointment or reappointment of the director of overall top ten companies.

Expected Score = 30

Company	Resume	Points	Experience	Points	Other directorship	Points	Total
Reliance Ind.	✓	1	✓	1	✓	1	3
Wipro Ltd.	✓	1	✓	1	✓	1	3
Infosys	✓	1	✓	1	✓	1	3
ITC	✓	1	✓	1	✓	1	3
HDFC	✓	1	✓	1	✓	1	3
ICICI Bank	✓	1	✓	1	✓	1	3
Bharti Ent.	✓	1	✓	1	✓	1	3
Dr. Reddy's lab	✓	1	✓	1	✓	1	3
Ranbaxy	✓	1	✓	1	✓	1	3
HLL	✓	1	✓	1	✓	1	3
Total	10	10	10	10	10	10	30

The above table discloses the information of overall top ten companies the expected disclosure score is 30 and actual score of disclosure is also so which means indicates that

30

Corporate governance Index = $\frac{\quad}{\quad} \times 100$

30

= 100%

This parameter is important for components, (1) about resume (2) expertise knowledge (3) directorship. All these, three heavy have been considered by this group with heavy good rank.

(II)

Table 4.3.3.2

Disclosure about appointment or reappointment of the director of Top IT companies.

Expected Score = 30

Company	Resume	Points	Experience	points	Other directorship	points	Total
Info tech	✓	1	✓	1	✓	1	3
Patni	✓	1	✓	1	✓	1	3
NIIT	✓	1	✓	1	✓	1	3
Mastek	✓	1	✓	1	✓	1	3
Zensar	✓	1	✓	1	✓	1	3
HCL	✓	1	✓	1	✓	1	3
Sonata	✓	1	✓	1	✓	1	3
Mortek	✓	1	✓	1	✓	1	3
Javelin	✓	1	✓	1	✓	1	3
Tata Infotech	✓	1	✓	1	✓	1	3
Total	10	10	10	10	10	10	30

The data of top IT companies mentioned in the above table reveals that how much information have been disclosed by the companies of disclosed by the companies of directors appointment and reappointment as per corporate governance norms out of this researcher has evaluated the disclosure as under.

30

Corporate governance Index = $\frac{\quad}{\quad} \times 100$

30

= 100%

IT group also takes it properly.

(III)**Table 4.3.3.3**

Disclosure about appointment or reappointment of the director of
Pharma and health care companies

Expected Score = 30

Company	Resume	points	Experience	points	Other directorship	points	Total
Novarties	✓	1	✓	1	✓	1	3
Cipla	✓	1	✓	1	✓	1	3
Bio Con	✓	1	✓	1	✓	1	3
Cadila	✓	1	✓	1	✓	1	3
Merck	✓	1	✓	1	✓	1	3
Pharmacia	✓	1	✓	1	✓	1	3
Glaxo Smith Kline	✓	1	✓	1	✓	1	3
Lupin	✓	1	✓	1	✓	1	3
Pfizer	✓	1	✓	1	✓	1	3
Aventis	✓	1	✓	1	✓	1	3
Total	10	10	10	10	10	10	30

Above table reveals data of director's appointment and reappointment aspect the disclosed score is 100% as compare to expected score because expected score is 30 and disclosed score is also 30.

(IV)

Table 4.3.3.4

Disclosure about appointment or reappointment of the director of Banking and Financial service sector companies.

Expected Score = 30

Company	Resume	Points	Experience	points	Other directorship	points	Total
Corporation Bank	✓	1	✓	1	✓	1	3
UCO Bank	✓	1	✓	1	✓	1	3
Karur Vysya Bank	✓	1	✓	1	✓	1	3
Kotak Mahindra Bank	✓	1	✓	1	✓	1	3
Bank of Maharashtra	✓	1	✓	1	✓	1	3
Allahbad Bank	✓	1	✓	1	✓	1	3
The Karnatak Bank	✓	1	✓	1	✓	1	3
Reliance Capital	✓	1	✓	1	✓	1	3
Global Trust Bank	✓	1	✓	1	✓	1	3
Bank of Punjab	✓	1	✓	1	✓	1	3
Total	10	10	10	10	10	10	30

Above table reveals the data of director's appointment and reappointment of Banking and financial service sector companies. All the firms have disclosed all the necessary aspect. Thus researcher has evaluated the disclosure as under.

$$\begin{aligned}\text{Corporate governance Index} &= \frac{30}{30} \times 100 \\ &= 100\%\end{aligned}$$

(V)

Table 4.3.3.5

Disclosure about appointment or reappointment of the director of FMCG companies.

Expected Score = 30

Company	Resume	points	Experience	points	Other directorship	points	Total
Navneet Publication	✓	1	✓	1	✓	1	3
Titan	✓	1	✓	1	✓	1	3
Nirma	✓	1	✓	1	✓	1	3
Brittania Ind.	✓	1	✓	1	✓	1	3
Asian Paints	✓	1	✓	1	✓	1	3
Dabur	✓	1	✓	1	✓	1	3
Nestle	✓	1	✓	1	✓	1	3
Bata	✓	1	✓	1	✓	1	3
RayBan	✓	1	✓	1	✓	1	3
Colgate	✓	1	✓	1	✓	1	3
Total	10	10	10	10	10	10	30

The above table discloses the pertinent information regarding directors appointment of reappointment of FMCG group. The companies like Navneet, Titan, Nirma, Nestle, Bata, Rayban, Brittania, Dabur, Asian Paints and Colgate have disclosed all the information in their annual reports hence their disclosure index is 100% (Total score 30 and expected score 30)

Researcher has done comparative analysis of this disclosure, which is as under.

(VI)

Table 4.3.3.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	30	30
2)	IT	30	30
3)	Pharma and health care	30	30
4)	Banking and financial service	30	30
5)	FMCG	30	30
Total		150	150

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{150}{150} \times 100 \% \\ &= 100 \%\end{aligned}$$

Researcher has evaluated this disclosure as highly efficiently disclosed disclosure among group companies.

IV Disclosure about material nature transaction among Board and management.

The transaction that is done among board of directors are necessary to be disclosed among shareholders. Any transaction that involves material nature that is beneficial for personal purpose needed to be disclosed. In this reference researcher has collected the data and tabulated as under.

(I)

Table 4.3.4.1

Disclosure about materials nature transaction among Management of overall top ten companies.

Expected Score = 10

Company	Done Transaction	Not Done	Points	Total Score
Reliance Ind.	–	✓	1	1
Ipro Ltd.	–	✓	1	1
Infosys	–	✓	1	1
ITC	–	✓	1	1
HDFC	–	✓	1	1
ICICI Bank	–	✓	1	1
Bharti Ent.	–	✓	1	1
Dr. Reddy's lab	–	✓	1	1
Ranbaxy	–	✓	1	1
HLL	–	✓	1	1
Total		10		10

Thus corporate governance index is 100%

The data mentioned in the above table reveals the information of top ten companies about material nature transaction among management of the data is disclosed completely by all the companies. Here the disclosure is efficiently disclosed.

(II)

Table 4.3.4.2

Disclosure about material nature transaction among Management of IT companies.

Expected Score = 10

Company	Transaction Done	Not done	Points	Total Score
Info tech	–	✓	1	1
Patni	–	✓	1	1
NIIT	–	✓	1	1
Mastek	–	✓	1	1
Zensar	–	✓	1	1
HCL	–	✓	1	1
Sonata	–	✓	1	1
Mortek	–	✓	1	1
Javelin	–	✓	1	1
Tata Infotech	–	✓	1	1
Total		10	10	10

As the above data mentioned table unveils the information of IT companies with the aspect of material nature transaction among management IT firms, it is shown that all the firms have disclosed the information and hence its score is to same as expected score. It indicate the good practices of CG and expressed that there is lack of material nature tansection ong manager of it group.

(III)**Table 4.3.4.3**

Disclosure about material nature transaction among Management of Pharma and healthcare companies.

Expected Score = 10

Company	Transaction Done	Not Done	Points	Total Score
Novarties	—	✓	1	1
Cipla	—	✓	1	1
Bio Con	—	✓	1	1
Cadila	—	✓	1	1
Merck	—	✓	1	1
Pharmacia	—	✓	1	1
Glaxo Smith Kline	—	✓	1	1
Lupin	—	✓	1	1
Pfizer	—	✓	1	1
Aventis	—	✓	1	1
Total		10	10	10

The data projected in the above table reflects that all the Pharma & health care firms have disclosed the disclosure which is related with material nature transaction among management.

The corporate governance index is 100% as the actual Score is equal to expected score i.e. 10.

(IV)

Table 4.3.4.4

Disclosure about material nature transaction among Management of Banking and financial service sector companies.

Expected Score = 10

Company	Transaction Done	Not Done	Points	Total Score
Corporation Bank	–	✓	1	1
UCO Bank	–	✓	1	1
Karur Vysya Bank	–	✓	1	1
Kotak Mahindra Bank	–	✓	1	1
Bank of Maharashtra	–	✓	1	1
Allahbad Bank	–	✓	1	1
The Karnatak Bank	–	✓	1	1
Reliance Capital	–	✓	1	1
Global Trust Bank	–	✓	1	1
Bank of Punjab	–	✓	1	1
Total		10	10	10

Researcher has collected the data and tabulated, from the above data of Banking and financial service firms it can be shown that all the firms here disclosed completely about material nature transaction among management.

The Banks have corporate governance index as under ;

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{10}{10} \times 100 \\ &= 100\%\end{aligned}$$

Thus researcher has evaluated this disclosure of banking group as highly disclosed disclosure.

(V)

Table 4.3.4.5

Disclosure about material nature transaction among Management of FMCG companies.

Expected Score = 10

Company	Transaction Done	Not Done	Points	Total Score
Navneet Publication	–	✓	1	1
Titan	–	✓	1	1
Nirma	–	✓	1	1
Brittania Ind.	–	✓	1	1
Asian Paints	–	✓	1	1
Dabur	–	✓	1	1
Nestle	–	✓	1	1
Bata	–	✓	1	1
RayBan	–	✓	1	1
Colgate	–	✓	1	1
Total		10		10

CG Index Score = 100%

Above-mentioned table of FMCG group companies reveals that the companies like Navneet, Titan, Nirma, Brittania, Asian Paints, Dabur, Nestle, Bata Rayban and Colgate have disclosed all the information related to material nature transaction among management. Hence, its disclosure index is ;

Above tables are examined by the Researcher separately and she has evaluated overall 5 groups disclosure through comparative analysis of disclosure as under.

(VI)

Table 4.3.4.6

Comparative analysis of disclosure

Group		Expected Score Of Disclosure	Actual Score
1)	Overall top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial Service	10	10
5)	FMCG	10	10
Total		50	50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100 \% = 100 \%$$

This disclosure is disclosed efficiently disclosed. The various companies of Indian corporate sector have been evaluated with different structure. All the company's annual reports records indicate that 100% disclosed about directors material nature transaction.

It is obvious to say with records; here research has not evaluated internal management practices.

V Disclosure about the commission to the non-executive director

This is important disclosure as per the corporate Governance norms the commission to the non-executive director should not exceed sitting fees decided in advance. So disclosure is related with the aspect that whether the remuneration is paid above sitting fees, if yes then disclosed and if no then disclosed or not. Researcher has compared the actual fees and sitting fees and drawn the data from the annual reports of sampled group companies.

1(i)

Table 4.3.5.1

Disclosure about the commission to the non executive director above sitting fees of overall top ten companies.

Expected Score = 10

Company	Paid	Not Paid	Points	Total Score of unit
Reliance Ind.	—	✓	1	1
Wipro Ltd.	—	✓	1	1
Infosys	—	✓	1	1
ITC	—	✓	1	1
HDFC	—	✓	1	1
ICICI Bank	—	✓	1	1
Bharti Ent.	—	✓	1	1
Dr. Reddy's lab	—	✓	1	1
Ranbaxy	—	✓	1	1
HLL	—	✓	1	1
Total		10	10	10

Above table reveals the data of overall top ten companies with regards to the commission to the non executive directors above sitting fees. Through this table it is revealed that not a single company has paid more commission than sitting fees. Hence disclosure of this disclosure is 100% as it has been evaluated as under. This 100% disclosure revealed that, there is disclosed information .

(II)

Table 4.3.5.2

Disclosure about the commission to the non executive director above sitting fees of IT companies.

Expected Score = 10

Company	Paid	Not Paid	Points	Total Score of Units
Info tech	—	✓	1	1
Patni	—	✓	1	1
NIIT	—	✓	1	1
Mastek	—	✓	1	1
Zensar	—	✓	1	1
HCL	—	✓	1	1
Sonata	—	✓	1	1
Mortek	—	✓	1	1
Javelin	—	✓	1	1
Tata Infotech	—	✓	1	1
Total		10	10	10

Index 100 %

Tabulated data of above mentioned IT companies it reflects that all the companies like Infotech, Patni, NIIT, Masket, Zensar, HCL, Sonata, Mrotek, Javelin and Tata infotech have not paid commission to the non executive director above sitting fees.

(III)**Table 4.3.5.3**

Disclosure about the commission to the non executive director above sitting fees of Pharma and healthcare companies.

Expected Score = 10

Company	Paid	Not Paid	Points	Total Score of Unit
Novarties	—	✓	1	1
Cipla	—	✓	1	1
Bio Con	—	✓	1	1
Cadila	—	✓	1	1
Merck	—	✓	1	1
Pharmacia	—	✓	1	1
Glaxo Smith Kline	—	✓	1	1
Lupin	—	✓	1	1
Pfizer	—	✓	1	1
Aventis	—	✓	1	1
Total		10	10	10

Index = 100%

As the data mentioned in the above table reveals the information of commission to non executive directors of Pharma and Helath care group. The data reveals that not a single companies has paid commission more than sitting fees.

The index of the disclosure is,

$$\begin{aligned} \text{Corporate Governance Index.} &= \frac{10}{10} \times 100 \\ &= 100\% \end{aligned}$$

(IV)

Table 4.3.5.4

Disclosure about the commission to the non executive director above sitting fees of Banking financial service companies. Expected Score = 10

Company	Paid	Not Paid	Points	Total Score of Unit
Corporation Bank	–	✓	1	1
UCO Bank	–	✓	1	1
Karur Vysya Bank	–	✓	1	1
Kotak Mahindra Bank	–	✓	1	1
Bank of Maharastra	–	✓	1	1
Allahbad Bank	–	✓	1	1
The Karnatak Bank	–	✓	1	1
Reliance Capital	–	✓	1	1
Global Trust Bank	–	✓	1	1
Bank of Punjab	–	✓	1	1
Total		10	10	10

The disclosure of banking and financial services unit mentioned in the above table reveals that the firms have disclosed the information 100% i.e. its corporate governance index is 100%

(V)

Table 4.3.5.5

Disclosure about the commission to the non executive director above sitting fees of FMCG companies. Expected Score = 10

Company	Paid	Not Paid	Points	Total Score of Unit
Navneet Publication	–	✓	1	1
Titan	–	✓	1	1
Nirma	–	✓	1	1
Brittania Ind.	–	✓	1	1
Asian Paints	–	✓	1	1
Dabur	–	✓	1	1
Nestle	–	✓	1	1
Bata	–	✓	1	1
RayBan	–	✓	1	1
Colgate	–	✓	1	1
Total		10	10	10

As the data mentioned in the above table reveals that the FMCG group companies have disclosed completely the disclosure which is related with the aspect of commission to the non executive directors.

Researcher has made an attempt to analyze all the 5 groups disclosure in respect with the above disclosure through comparative analysis.

(VI) **Table 4.3.5.6**
Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

Corporate Governance Index 100%

The analysis reveals that the disclosure is completely disclosed hence this disclosure is highly disclosed corporate governance disclosure.

VI Disclosure about the recorded of Insider trading;

As per the corporate governance norms, each listed company should maintain the record of share trading which is done inside the company.

Below mentioned table have analyzed this aspect in relation to the 5 sampled groups.

(I)

Table 4.3.6.1

Disclosure about the record of overall top ten companies.

Expected Score = 10

Company	Yes	Points	No	Total Score
Reliance Ind.	✓	1	–	1
Wipro Ltd.	✓	1	–	1
Infosys	✓	1	–	1
ITC	✓	1	–	1
HDFC	✓	1	–	1
ICICI Bank	✓	1	–	1
Bharti Ent.	✓	1	–	1
Dr. Reddy's lab	✓	1	–	1
Ranbaxy	✓	1	–	1
HLL	✓	1	–	1
Total	10	10		10

CG Index = 100%

The data mentioned in the above table reveals the aspect of record of insider trading in top ten companies. The companies like Reliance, Wipro, Infosys, ITC, HDFC, ICICI bank, Bharti Enterprise, Dr. Reddy's lab, Ranbaxy and HLL have maintained record of internal share trading.

(II)

Table 4.3.6.2

Disclosure about the record of insider trading in the companies of IT companies.

Expected Score = 10

Company	Yes	Points	No	Total Score of Unit
Info tech	✓	1	–	1
Patni	✓	1	–	1
NIIT	✓	1	–	1
Mastek	✓	1	–	1
Zensar	✓	1	–	1
HCL	✓	1	–	1
Sonata	✓	1	–	1
Mortek	✓	1	–	1
Javelin	✓	1	–	1
Tata Infotech	✓	1	–	1
Total	10	10		10

CG Index = 100%

As the above table reveals the data of IT companies which is related with the disclosure of record of insider trading of shares the disclosure is disclosed companies. Hence the score is 100%

(III)**Table 4.3.6.3**

Disclosure about the record of insider trading in the companies of top Pharma and healthcare companies.

Expected Score = 10

Company	Yes	Points	No	Total Score of Unit
Novarties	✓	1	–	1
Cipla	✓	1	–	1
Bio Con	✓	1	–	1
Cadila	✓	1	–	1
Merck	✓	1	–	1
Pharmacia	✓	1	–	1
Glaxo Smith Kline	✓	1	–	1
Lupin	✓	1	–	1
Pfizer	✓	1	–	1
Aventis	✓	1	–	1
Total	10			10

CG Index = 100%

As the data mentioned in the above table reveals the information of Pharma and health care companies. The disclosure is related with insider trading and which is disclosed completely by all the companies. It means each and every company maintains the record of insider trading of shares.

(IV)

Table 4.3.6.4

Disclosure about the record of insider trading the companies of Banking and financial service sector companies.

Expected Score = 10

Company	Yes	Points	No	Total Score
Corporation Bank	✓	1	–	1
UCO Bank	✓	1	–	1
Karur Vysya Bank	✓	1	–	1
Kotak Mahindra Bank	✓	1	–	1
Bank of Maharashtra	✓	1	–	1
Allahbad Bank	✓	1	–	1
The Karnatak Bank	✓	1	–	1
Reliance Capital	✓	1	–	1
Global Trust Bank	✓	1	–	1
Bank of Punjab	✓	1	–	1
Total	10	10		10

CG Index = 100%

The data projected in the above table reveals the information of insider share trading of banking and financial service sector companies. The actual score is 10 the expected score of disclosure is 10 .

(V)

Table 4.3.6.5

Disclosure about the record of insider trading in the companies of FMCG companies.

Expected Score = 10

Company	Yes	Points	No	Total Score
Navneet Publication	✓	1	–	1
Titan	✓	1	–	1
Nirma	✓	1	–	1
Brittania Ind.	✓	1	–	1
Asian Paints	✓	1	–	1
Dabur	✓	1	–	1
Nestle	✓	1	–	1
Bata	✓	1	–	1
RayBan	✓	1	–	1
Colgate	✓	1	–	1
Total	10	10		10

CG Index = 100%

Above table reveals the data of FMCG companies in relation with the aspect of insider trading record. This table reflects that all the companies are keeping record of insider share trading. Thus the corporate governance index is 100%.

Now, Researcher has evaluated disclosure among the 5 group through comparative analysis.

(VI)

Table 4.3.6.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

CG Index = 100

Comparative analysis reveals that disclosure is efficiently disclosed and hence it is best disclosure.

VII Disclosure about loans and advances

Under the analysis of loans and advances to the group companies the data discloses that to want extent company is transparent towards their stakeholders. Here company should disclose that to the subsidiaries or affiliates how much loan company has sanctioned. When company follows the norms of corporate governance it has to be very clear about financial soundness of the company.

According to the report presented by Naresh Chandra committee, company has to disclose in front of the share holders that whether the company's fund is moving in the right direction or not.

(I)

Table 4.3.7.1

Disclosure about loans and advances to group companies of overall top ten companies.

Expected Score = 10

Company	Given	Not Given	Points
Reliance Ind.	-	✓	1
Wipro Ltd.	✓	-	1
Infosys	✓	-	1
ITC	✓	-	1
HDFC	✓	-	1
ICICI Bank	✓	-	1
Bharti Ent.	-	✓	1
Dr. Reddy's lab	-	✓	1
Ranbaxy	✓	-	1
HLL	-	✓	1
Total	6	4	10

As the data mentioned above table discloses that Reliance Ranbaxy, ITC, & HLL out of overall top ten best companies have not sanctioned such loans in the lat financial year 2001-2002., where as Wipro, Infosys, Bharti telecom venture ltd., HDFC, Dr. Reddys and ICICI had sanctioned such loans and advances to the groups companies.

(II)

Table 4.3.7.2

Disclosure about loans advances to group companies of IT companies.

Expected Score = 10

Company	Given	Not Given	Points
Info tech	✓	-	1
Patni	-	✓	1
NIIT	✓	-	1
Mastek	✓	-	1
Zensar	-	✓	1
HCL	✓	-	1
Sonata	✓	-	1
Mortek	-	✓	1
Javelin	✓	-	1
Tata Infotech	✓	-	1
Total	7	3	10

Above analysis reveals that the companies like Infotech, NIIT, Mastek, Zensar, Sonata, Tata infotech and HCL, have sanctioned the loans to the subsidiaries. While the companies like Patni, Mrotek and Javelin have not sanctioned loans to the subsidiaries.

The disclosure is complete and the corporate governance index is 100%.

(III) Table 4.4.7.3

Disclosure about loans advances to group companies of Pharma and healthcare companies.

Expected Score = 10

Company	Given	Not Given	Points
Novarties	-	✓	1
Cipla	-	✓	1
Cadila	✓	-	1
Merck	-	✓	1
Pharmacia	-	✓	1
Biocon	-	✓	1
Glaxo Smith Kline	-	✓	1
Lupin	✓	-	1
Pfizer	✓	-	1
Aventis	✓	-	1
Total	4	6	10

The data mentioned in the above table of Pharma and Healthcare companies reveals that out of 10 companies, 21 companies and 6 companies have not disclosed the loans. As disclosure is 100% its index is also 100%.

(IV)

Table 4.3.7.4

Disclosure about loans advances to group companies of Banking and financial service sector companies.

Expected Score = 10

Company	Given	Not Given	Points
Corporation Bank	–	✓	1
UCO Bank	–	✓	1
Karur Vysya Bank	–	✓	1
Kotak Mahindra Bank	–	✓	1
Bank of Maharashtra	–	✓	1
Allahbad Bank	–	✓	1
The Karnatak Bank	–	✓	1
Reliance Capital	–	✓	1
Global Trust Bank	–	✓	1
Bank of Punjab	–	✓	1
Total		10	10

CG Index = 100%

Above table reveals data of banking firms in relation to the loans and advances granted to subsidiaries companies. The data reflects that not a single company has sectional the loan.

(V)

Table 4.3.7.5

Disclosure about loans advances to group companies of FMCG companies.

Expected Score = 10

Company	Given	Not Given	Points
Navneet Publication	✓	-	1
Titan	✓	-	1
Nirma	✓	-	1
Brittania Ind.	✓	-	1
Asian Paints	✓	-	1
Dabur	--	✓	1
Nestle	-	✓	1
Bata	✓	--	1
RayBan	✓	-	1
Colgate	✓	-	1
Total	8	2	10

Above table unveils the information of FMCG companies. The companies like Navneet, Titan, Nirma, Nestle, Brittania, Bata Rayban and Colgate have Sanctioned loans to affiliated companies and Asian Paints and Dabur have not sanctioned such loans.

The data has been disclosed completely and score is 100%.

(VI)

Table 4.3.7.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

CG Index = 100%

Through comparative analysis researcher has evaluated disclosure as highly disclosed disclosure.

VIII Disclosure about loans and advances received from group companies.

This is important disclosure the data of sampled groups are given below. Researcher has collected the data from published annual reports and verified whether any loans and advances from any group companies has been received and disclosed not disclosed at all. This has been tabulated as under.

(I)

Table 4.3.8.1

Disclosure about Loans and advances received from any of the group companies of overall top ten companies.

Expected Score = 10

Company	Received	Not Received	Points
Reliance Ind.	-	✓	1
Wipro Ltd.	-	✓	1
Infosys	-	✓	1
ITC	✓	-	1
HDFC	-	✓	1
ICICI Bank	-	✓	1
Bharti Ent.	-	✓	1
Dr. Reddy's lab	-	✓	1
Ranbaxy	-	✓	1
HLL	-	✓	1
Total	1	9	10

The data related to the loans and advances received from any of the group companies shows that out of overall top ten companies the companies like Reliance, Wipro, Infosys, HLL, Dr. Reddys lab, Ranbaxy, HDFC, ICICI, and Bharti Enterprise had not taken any of the financial tools in the form of the loans and advance from the group company & that data was disclosed in their financial disclosure.

(II)

Table 4.3.8.2

Disclosure about Loans and advances received from any of the group companies of IT companies.

Expected Score = 10

Company	Received	Not Received	Points
Info tech	✓		1
Patni	✓	-	1
NIIT	✓		1
Mastek	✓		1
Zensar	✓	-	1
HCL	✓		1
Sonata	-	✓	1
Mortek	-	✓	1
Javelin	✓		1
Tata Infotech	-	✓	1
Total	7	3	10

The data related to the most famous IT companies like Sonata, Mrotek and Tata infotech had not taken any of the financial tools in the form of the loans an advances but the companies like Infotech, Patni, NIIT, Zensar, HCL, Mastek, and Javelin had taken loans and advance from the group company that data was disclosed in their financial disclosure.

(III)**Table 4.3.8.3**

Disclosure about Loans and advances received from any of the group companies of Pharma and healthcare companies.

Expected Score = 10

Company	Given	Not Given	Points
Novarties	–	✓	1
Cipla	–	✓	1
Cadila	–	✓	1
Merck	–	✓	1
Pharmacia	–	✓	1
Biocon	–	✓	1
Glaxo Smith Kline	–	✓	1
Lupin	–	✓	1
Pfizer	–	✓	1
Aventis	–	✓	1
Total		10	10

CG Index = 100%

The data related to shows that out of most popular pharmacy companies data reveals that almost all the companies like Novartis, Cipla, Cadila, Pharmacia, Biocon, Glaxo Smithkline Merck, Pfizer Lupin and Aventis had not taken any of the financial tools in the form of the loans and advances from the group company that data was disclosed in their financial disclosure.

(IV)

Table 4.3.8.4

Disclosure about Loans and advances received from any of the group companies of banking and financial service sector unit.

Expected Score = 10

Company	Given	Not Given	Points
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
Karur Vysya Bank	✓	–	1
Kotak Mahindra Bank	–	✓	1
Bank of Maharashtra	✓	–	1
Allahabad Bank	✓	–	1
The Karnatak Bank	–	✓	1
Reliance Capital	–	✓	1
Global Trust Bank	✓		1
Bank of Punjab	–	✓	1
Total	6	4	10

The data related to the loans and advances received from the Banking firms shows that Kotak Mahindra Bank, Karnatak Bank, Reliance Capital, and Bank of Punjab had not taken any of the financial tools in the form of the loans and advances but the units like Corporation Bank, Uco Bank, Karur Vysya Bank, Allahabad bank, Bank of Maharashtra, and Global Trust bank which had taken loans and advance from the group company that data was disclosed in their financial disclosure.

(V)

Table 4.3.8.5

Table Disclosure about Loans and advances received from any of the group companies of FMCG companies.

Expected Score = 10

Company	Given	Not Given	Points
Navneet Publication	NM	NM	0
Titan	NM	NM	0
Nirma	NM	NM	0
Brittania Ind.	–	✓	1
Asian Paints	–	✓	1
Dabur	–	✓	1
Nestle	–	✓	1
Bata	–	✓	1
RayBan	–	✓	1
Colgate	–	✓	1
Total		7	7

The data related to the loans and advances received from any of the group companies shows that out of most reputed FMCG companies Nirma, Nestle, Britannia, Asianpaint, Dabur bata Rayban and Colgate had not taken any of financial obligation form of the Group Companies. While in the annual reports of the companies like Navneet, Titan, and Nirma no such information has been disclosed or we can conclude that data not mentioned.

Researcher has evaluated disclosure index among five sampled groups through comparative analysis of disclosure.

(VI)

Table 4.3.8.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	07
Total		50	47

CG Index 94%

47

Corporate Governance Index = — x 100 %

50

= 94 %

The table of comparative analysis and corporate governance index indicates that disclosure is disclosed 94% i.e. 47 actual score against 50 which is good.

IX Disclosure about stock option plan.

Stock plan means whether company offers part of its stock to its employee if such plan exist in company's stock plan then it should be disclosed in front of stakeholders.

Various groups data are collected by researcher and tabulated as under.

(I)**Table 4.3.9.1**

Disclosure about if Stock option Plan Exist in top ten Companies.

Expected Score = 10

Company	Yes	No	Points
Reliance Ind.	✓	–	1
Wipro Ltd.	✓	–	1
Infosys	✓	–	1
Bharti Ent.	✓	–	1
HDFC	–	✓	1
Dr. Reddy's lab	–	✓	1
Ranbaxy	✓		1
ITC	–	✓	1
ICICI Bank	–	✓	1
HLL	✓	–	1
Total	6	4	10

For the companies like Reliance, Infosys, Bharti Telecom, Wipro, Ranbaxy and HLL have introduced employees stock option plan in their financial structure. While the companies like HDFC, Dr. Reddy's lab, ICICI and ITC do not have such employee's stock option plan.

(II)**Table 4.3.9.2**

Disclosure about if Stock option Plan Exist in IT Companie

(Expected Score = 10)

Company	Yes	No	Points
Info tech	✓	–	1
Patni	✓	–	1
NIIT	-	✓	1
Mastek	✓	-	1
Mortek	✓	–	1
Zensar	✓	–	1
Sonata	✓	–	1
HCL	✓	-	1
Tata Infotech	–	✓	1
Javelin		✓	1
Total	7	3	10

In case of IT companies the situation of the employees stock option plan is disclosed in the above mentioned table. From which it is found that the companies like Infotech, Patni, Zensar, HCL, MASTEK, Mrotek and Sonata have introduced employees stock option plan in their financial structure. While the companies like NIIT, Javelin and TATA infotech do not have such employee's stock option plan.

(III)

Table 4.3.9.3

Disclosure about Loans and advances received from any of the group companies of Pharma and healthcare companies. Expected Score = 10

Company	Yes	No	Points
Novarties	✓	–	1
Cipla	✓	–	1
Cadila	–	✓	1
Merck	–	✓	1
Pharmacia	✓	–	1
Biocon	-	✓	1
Glaxo Smith Kline	✓	–	1
Lupin	✓	–	1
Pfizer	✓	–	1
Aventis	–	✓	1
Total	6	4	10

In case of Pharma and health care companies the situation of the employees stock option plan is disclosed in the above mentioned table. From which it is found that the companies like Novartis, Cipla, Pharmacia, Glaxo, Lupin and Pifizer have introduced employees stock option plan in their financial structure. While the companies like Cadila, Biocon, Merk and Aventis do not have such employee's stock option plan.

(IV)

Table 4.3.9.4

Disclosure about Stock option Plan Exist in Banking and financial service sector unit.

Expected Score = 10

Company	Yes	No	Points
Corporation Bank	✓	–	1
UCO Bank	✓	–	1
Karur Vysya Bank	–	✓	1
Kotak Mahindra Bank	–	✓	1
Allahbad Bank	✓	–	1
Bank of Maharastra	✓	–	1
Karnatak Bank	✓	–	1
Reliance Capital	–	✓	1
Global Trust Bank	✓	–	1
Bank of Punjab	✓	–	1
Total	7	3	10

In case of Banking sector companies the situation of the employees stock option plan is disclosed in the above-mentioned table. From which it is found that the companies like Corporate bank, Uco bank, Bank of Maharashtra, Allahabad bank, Karnataka bank, Global trust bank and Bank of Punjab have introduced employees stock option plan in their financial structure. While the companies like Karur Vysya Bank, Kotak Mahindra bank and Reliance Capital do not have such employees stock option plan.

(V)

Table 4.3.9.5

Disclosure about if Stock option Plan Exist in FMCG companies.

Expected score=10

Company	Yes	No	Points
Navneet Publication	–	✓	1
Titan	–	✓	1
Nirma	–	✓	1
Nestle	–	✓	1
Brittania	–	✓	1
Asian Paints	–	✓	1
Dabur	✓		1
Bata	–	✓	1
RayBan	–	✓	1
Colgate	–	✓	1
Total	1	9	10

In case of FMCG companies the situation of the employees stock option plan is disclosed in the above mentioned table. From which it is found that the company like Dabur has introduced employees stock option plan in their financial structure. While the companies like Navneet, Titan, Nirma, Brittania, Nestle, Asian Paints, Bata, Rayban and Colgate do not have such employees stock option plan.

(VI)

Table 4.3.9.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

Corporate Governance Index = 100%

Data of comparative analysis reveals that the stock option plan disclosure has been disclosed completely by all five sampled group companies.

X Disclosure about following of secretarial Standards

The standards issued by Institute of companies' secretaries of India have to be followed by all of the listed companies in the capital market. The rules are somewhat mandatory in nature and are related to companies financial, legal as well as accounting aspects.

(I) Table 4.3.10.1

Disclosure about Secretarial standards issued by ICSI & followed by
Overall best top ten companies. Expected Score = 10

Company	Yes	Points	No	Total Score
Reliance Ind.	✓	1	–	1
Wiper Ltd.	✓	1	–	1
Infosys	✓	1	–	1
BTVL	✓	1	–	1
HDFC	✓	1	–	1
Dr. Reddy's lab	✓	1	–	1
Ranbaxy	✓	1	–	1
ITC	✓	1	–	1
ICICI Bank	✓	1	–	1
HLL	✓	1	–	1
Total	10	10		10

The data mentioned above discloses that the top ten companies like Reliance, Wipro, Infosys, Ranbaxy, Dr. Reddy's lab, ITC, ICICI, Bharti Enterprise, HDFC and HLL are following all the standards and norms issued by ICSI.

(II) Table 4.3.10.2

Disclosure about Secretarial standards issued by ICSI & followed by
IT companies. Expected Score = 10

Company	Yes	Points	No	Total Score
Info tech	✓	1	–	1
Patni	✓	1	–	1
NIIT	✓	1	–	1
Mastek	✓	1	–	1
Mrotek	✓	1	–	1
Zensar	✓	1	–	1
Sonata	✓	1	–	1
Javelin	✓	1	–	1
Tata Infotech	✓	1	–	1
HCL	✓	1	–	1
Total	10	10		10

In case of top IT companies all the companies like Infotech, Patni, NIIT, Mastek, Microtek, Zensar, Sonata, Javelin, TATA Infotech, and HCL have followed the standards and rules issued by ICSI.

(III)

Table 4.3.10.3

Disclosure about Secretarial standards issued by ICSI & followed by Pharma and healthcare companies.

Expected Score = 10

Company	Yes	Points	No	Total Score
Novarties	✓	1	–	1
Cipla	✓	1	–	1
Cadila	✓	1	–	1
Merck	✓	1	–	1
Pharmacia	✓	1	–	1
Biocon	✓	1	–	1
Glaxo Smith Kline	✓	1	–	1
Lupin	✓	1	–	1
Pfizer	✓	1	–	1
Aventis	✓	1	–	1
Total	10	10		10

As the data mentioned above reveals that all top companies belonging to Pharma and health care sector like Novartis, Cipla, Cadila, Biocon, Merck, Pharmacia, Glaxo smithkline, Lupin, Pfizer and Aventis are following the standards of ICSI.

(IV)

Table 4.3.10.4

Disclosure about Secretarial standards issued by ICSI & following by top Banking and financial service sector companies.

Expected Score = 10

Company	Yes	Points	No	Points
Corporation Bank	✓	1	–	1
UCO Bank	✓	1	–	1
Karur Vysya Bank	✓	1	–	1
Kotak Mahindra Bank	✓	1	–	1
Allahbad Bank	✓	1	–	1
Bank of Maharastra	✓	1	–	1
Karnatak Bank	✓	1	–	1
Reliance Capital	✓	1	–	1
Global Trust Bank	✓	1	–	1
Bank of Punjab	✓	1	–	1
Total	10	10		10

As the data mentioned above reveals that all top companies belonging to Banking and Financial service sector companies like Corporation Bank, Uco bank, Karur Vysya Bank, Kotak Mahindra Bank, Allahabad bank, Bank of Maharashtra, Karnataka bank, Reliance capital, Global trust bank and bank of Punjab are following the standards of ICSI.

(V)

Table 4.3.10.5

Disclosure about Secretarial standards issued by ICSI & followed by top FMCG companies.

Expected Score = 10

Company	Yes	Point	No	Total Score
Navneet	✓	1	–	1
Titan	✓	1	–	1
Nirma	✓	1	–	1
Nestle	✓	1	–	1
Brittania	✓	1	–	1
Asian Paints	✓	1	–	1
Dabur	✓	1	–	1
Bata	✓	1	–	1
RayBan	✓	1	–	1
Colgate	✓	1	–	1
Total	10	10		10

As the data mentioned above reveals that all top companies belonging to FMCG sector like Navneet, Titan, Asian Paints, Brittania, Nestle, Nirma, Rayban, Dabur, Bata and Colgate are following the standards of ICSI.

Researcher has tried to compare data among group companies through comparative analysis for better understanding.

(VI)

Table 4.3.10.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overall top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{50}{50} \times 100 \% \\ &= 100 \%\end{aligned}$$

The disclosure of ICSI standard followance is 100% disclosed by sampled group companies.

XI Disclosure about case pending in DRT under securitisation act.

In regular course of Business Units undertake number of transaction with external parties. Such transaction may some times be able to complete the mutual satisfaction. So the company has to look after to such transaction in a sense that all such transactions are within the preview of law. The corporate governance practice demands keen observation in such matters to protect the interest of stakeholders. Here company discloses that whether any of the case is in the process or pending in regional or district court. Here Researcher has analyzed various annual reports of sampled group companies and collected the data whether any case pending and disclosed not pending and disclosed or not disclosed then not mentioned

(I)

Table 4.3.11.1

Disclosure about any court case pending under securitisation Act of top ten companies.

Expected Score = 10

Company	Yes	No	Score	Total Score
Reliance Ind.	–	✓	1	1
Wipro Ltd.	–	✓	1	1
Infosys	–	✓	1	1
Bharti Enterprise	–	✓	1	1
HDFC	–	✓	1	1
Dr. Reddy's lab	–	✓	1	1
Ranbaxy	–	✓	1	1
ITC	–	✓	1	1
ICICI Bank	–	✓	1	1
HLL	–	✓	1	1
Total		10	10	10

The data specifies that not a single company out of top ten best companies has any pending case in any of the court. The companies like Reliance, Wipro, Infosys, Ranbaxy, Dr. Reddy's lab, ITC, ICICI, Bharti Enterprise, HDFC and HLL do not have pending case under securitization Act.

(II)

Table 4.3.11.2

Disclosure about any court case pending under securitisation Act of IT companies.

Expected Score = 10

Company	Yes	No	Points	Total Score
Info tech	—	✓	1	1
Patni	—	✓	1	1
NIIT	—	✓	1	1
Mastek	—	✓	1	1
Mrotek	—	✓	1	1
Zensar	—	✓	1	1
Sonata	—	✓	1	1
Javelin	—	✓	1	1
Tata Infotech	—	✓	1	1
HCL	—	✓	1	1
Total		10	10	10

The data specifies that not a single company out of IT companies has any pending case in any of the court. The companies like Infotech, Patni, NIIT, Mastek, Microtek, Zensar, Sonata, Javelin, TATA Infotech, and HCL do not any pending case under securitisation Act.

(III)**Table 4.3.11.3**

Disclosure about any court case pending under securitisation Act of Pharma and health care companies.

Expected Score = 10

Company	Yes	No	Score	Total Score
Novarties	–	✓	1	1
Cipla	–	✓	1	1
Cadila	–	✓	1	1
Merck	–	✓	1	1
Pharmacia	–	✓	1	1
Biocon	–	✓	1	1
Glaxo Smith Kline	–	✓	1	1
Lupin	–	✓	1	1
Pfizer	–	✓	1	1
Aventis	–	✓	1	1
Total		10	10	10

As the data mentioned above reveals that all top companies belonging to Pharma and health care sector like Novartis, Cipla, Cadila, Biocon, Merck, Pharmacia, Glaxo smithkline, Lupin, Pfizer and Aventis do not have any pending case in the court under securitisation Act.

(IV)

Table 4.3.11.4

Disclosure about any court case pending under securitisation Act of top Banking and financial service sector companies.

Expected Score = 10

Company	Yes	No.	Points	Points
Corporation Bank	–	✓	1	1
UCO Bank	–	✓	1	1
Karur Vysya Bank	–	✓	1	1
Kotak Mahindra Bank	–	✓	1	1
Allahbad Bank	–	✓	1	1
Bank of Maharastra	–	✓	1	1
Karnatak Bank	–	✓	1	1
Reliance Capital	–	✓	1	1
Global Trust Bank	–	✓	1	1
Bank of Punjab	–	✓	1	1
Total		10	10	10

As the data mentioned above reveals that all companies belonging to Banking and Financial service sector companies like Corporation Bank, Uco bank, Karur Vysya Bank, Kotak Mahindra Bank, Allahabad bank, Bank of Maharashtra, Karnataka bank, Reliance capital, Global trust bank and bank of Punjab do not have any pending case in the court under securitisation Act.

(V)

Table 4.3.11.5

Disclosure about any court case pending under securitisation Act of top FMCG companies.

Expected Score = 10

Company	Yes	No	Points	Points
Navneet	–	✓	1	1
Titan	–	✓	1	1
Nirma	–	✓	1	1
Nestle	–	✓	1	1
Brittania	–	✓	1	1
Asian Paints	–	✓	1	1
Dabur	–	✓	1	1
Bata	–	✓	1	1
RayBan	–	✓	1	1
Colgate	–	✓	1	1
Total		10	10	10

As the data mentioned above reveals that all companies belonging to FMCG sector like Navneet, Titan, Asian Paints, Brittania, Nestle, Nirma, Rayban, Dabur, Bata and Colgate do not have any pending case in the court under securitisation Act.

(VI)

Table 4.3.11.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overtop top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

50

Corporate Governance Index = — x 100 %

50

= 100 %

Researcher has evaluated this disclosure as highly disclosed disclosure as all the sampled group companies have disclosed such data. Hence the score is 100%.

XII Disclosure about financials Risk Management policy

The company while following corporate Governance norms has to implement particular financial Risk management policy to define risk proper category. Whether the company has financial risk, profit risk, legal risk or internal process risk. The Risk type generally depends on the nature of business and market but how company manages that is more important.

No doubt it is mandatory to disclose the risk management policy. Whether all the companies follow that is the matter of question.

(I)

Table 4.3.12.1

Disclosure about financial Risk Management Policy of Overall top ten best companies.

Expected Score = 40

Company	Profit	Financial Risk	Score	Legal Risk	Score	Internal Process Risk	Score	Score of unit
Reliance Ind.	NM	NM	NM	NM	NM	NM	NM	0
Wipro Ltd.	NM	NM	NM	NM	NM	NM	NM	0
Infosys	NM	NM	NM	NM	NM	NM	NM	0
Bharti Enterprise	NM	NM	NM	NM	NM	NM	NM	0
HDFC	–	✓	1	–	–	–	–	1
Dr. Reddy's lab	–	–	–	✓	1	–	–	1
Ranbaxy	–	–	–	✓	1	–	–	1
ITC	NM	NM	NM	NM	NM	NM	NM	0
ICICI Bank	–	✓	1	–	–	–	–	1
HLL	NM	NM	NM	NM	NM	NM	NM	–
Total	–	2	–	2	–	–	–	4

The analysis of the data pertaining to the overall top companies shows that only 40% companies have mentioned about risk management policy. The companies like HDFC and ICICI are following financial risk management Policy while companies like Dr. Reddys and Ranbaxy have implemented legal financial risk magt. policy. Other companies like Reliance, wipro, Infosys, ITC, Bhati telecom, and HLL have NOT MENTIONED any of the financial risk management policy.

(II)

Table 4.3.12.2

Disclosure about financial Risk Management Policy of IT companies

Expected Score = 40

Company	Profit	Score	Financial Risk	Score	Legal Risk	Score	Internal Process Risk	Score	Score of unit
InfoTech	NM	0	NM	0	NM	0	NM	0	0
Patni	NM	0	NM	0	NM	0	NM	0	0
NIIT	✓	1	–	0	–	0	–	0	1
Mastek	✓	0	✓	1	–	0	–	0	1
Mrotek	NM	0	NM	0	NM	0	NM	0	0
Zensar	NM	0	NM	0	NM	0	NM	0	0
Sonata	NM	0	NM	0	NM	0	NM	0	0
Javelin	✓	1	–	0	–	0	–	0	1
Tata InfoTech.	–	0	–	0	–	0	✓	1	1
HCL	NM	0	NM	0	NM	0	NM	0	0
Total	2		1				1		4

The analysis of the data pertaining to the IT companies shows that only 40% companies have mentioned about risk management policy. The companies like Mastek is following financial risk management Policy while companies like Javelin and NIIT have implemented profit risk magt. policy. And Tata infotech is following internal process risk policy. Other companies like Infotech, Patni, Zensar, HCL, Sonata, and Mrotek have NOT MENTIONED any of the financial risk management policy.

(III)**Table 4.3.12.3**

Disclosure about financial Risk Management Policy of Pharma and health care companies.

Expected Score = 40

Company	Profit	Score	Financial Risk	Score	Legal Risk	Score	Internal Process Risk	Score	Score of unit
Novarties	NM	0	NM	0	NM	0	NM	0	0
Cipla	NM	0	NM	0	NM	0	NM	0	0
Cadila	NM	0	NM	0	✓	1	NM	0	1
Merck	NM	0	NM	0	NM	0	NM	0	0
Pharmacia	NM	0	NM	0	NM	0	NM	0	0
Biocon		0		0	✓	1		0	1
Glaxo Smith Kline	NM	0	NM	0	NM	0	NM	0	0
Lupin	NM	0	NM	0	NM	0	NM	0	0
Pfizer	NM	0	NM	0	NM	0	NM	0	0
Aventis	NM	0	NM	0	NM	0	NM	0	0
Total					2				2

The analysis of the data pertaining to the Pharma companies only 20% companies have mentioned about risk management policy. The companies like Biocon and Cadila have implemented legal financial risk magt. policy. Other companies like Novartis, Cipla, Merck, Glaxo Smithkline, Pharmacia, Aventis Lupin and Pfizer have NOT MENTIONED any of the financial risk management policy.

(IV)

Table 4.3.12.4

Disclosure about financial Risk Management Policy of Banking and financial services sector companies.

Expected Score = 40

Company	Profit	Score	Financial Risk	Score	Legal Risk	Score	Internal Process Risk	Score	Score of unit
Corporation Bank	NM	NM	✓	1	NM	NM	NM	NM	NM
UCO Bank	NM	NM	✓	1	NM	NM	NM	NM	NM
Karur Vysya Bank	NM	NM	✓	1	NM	NM	NM	NM	NM
Kotak Mahindra Bank	NM	NM	✓	1	NM	NM	NM	NM	NM
Allahbad Bank	NM	NM	✓	1	NM	NM	NM	NM	NM
Bank of Maharashtra	NM	NM	✓	1	NM	NM	NM	NM	NM
Karnatak Bank	NM	NM	✓	1	NM	NM	NM	NM	NM
Reliance Capital	NM	NM	✓	1	NM	NM	NM	NM	NM
Global Trust Bank	NM	NM	✓	1	NM	NM	NM	NM	NM
Bank of Punjab	NM	NM	✓	1	NM	NM	NM	NM	NM
Total			10						

The analysis of the data pertaining to the Banking firms all companies have mentioned about risk management policy. The companies Corporation Bank, Uco Bank, Karur vyasya Bank, Reliance capital, Kotak mahindra bank, Bank of Maharashtra Allahbad Bank, Karanataka Bank, Global trust Bank and Bank of Punjab are folowing financial risk management Policy.

(V)

Table 4.3.12.5

Disclosure about financial Risk Management Policy of FMCG companies.

Expected Score = 40

Company	Profit	Score	Financial Risk	Score	Legal Risk	Score	Internal Process Risk	Score	Score of unit
Navneet	NM	NM	NM	NM	NM	NM	NM	NM	0
Titan	NM	NM	NM	NM	NM	NM	NM	NM	0
Nirma	NM	NM	NM	NM	NM	NM	NM	NM	0
Nestle	NM	NM	NM	NM	NM	NM	NM	NM	0
Brittania	NM	NM	NM	NM	NM	NM	NM	NM	0
Asian Paints	NM	NM	NM	NM	NM	NM	NM	NM	0
Dabur	NM	NM	NM	NM	NM	NM	NM	NM	0
Bata	NM	NM	NM	NM	NM	NM	NM	NM	0
RayBan	NM	NM	NM	NM	NM	NM	NM	NM	0
Colgate	NM	NM	NM	NM	NM	NM	NM	NM	0
Total	—		—		—		—		0

As the data mentioned above table related to the formal risk management policy adopted by the top FMCG companies disclose that not a single company has disclosed the information. The companies like Nirma, Titan, Asianpaints, Dabur, Bata, Brittania, Nestle, Rayban, and Colgate have not disclose the information.

(VI)

Table 4.3.12.6

Comparative Analysis of Disclosure

Group	Total expected Disclosure score	Actual Score
1) Overtop top ten	40	04
2) IT	40	04
3) Pharma and health care	40	02
4) Banking and financial service	40	10
5) FMCG	40	00
Total	200	20

20

Corporate Governance Index = ——— x 100 %

200

= 10 %

By of referring to the above analysis researcher has drawn conclusion the financial risk management policy disclosure is poorly disclosed by sampled group companies.

XIII Disclosure about Intellectual property rights

This disclosure is pertained to acquisition of intellectual property by any company. Hence company should disclose the information about such rights if it is acquired by it researcher has analyzed annual reports of various companies and gathered the data which are tabulated as under.

(I)

Table 4.3.13.1

Disclosure about acquisition of the intellectual property rights by overall top ten companies.

Expected Score = 10

Company	Yes	Points	No	Points	Total Score
Reliance Ind.	✓	1	-	0	1
Wipro Ltd.	✓	1	-	0	1
Infosys	✓	1	-	0	1
Bharti Enterprise	✓	1	-	0	1
HDFC	-	0	✓	1	1
Dr. Reddy's lab	-	0	✓	1	1
Ranbaxy	✓	1	-	0	1
ITC	-	0	✓	1	1
ICICI Bank	-	0	✓	1	1
HLL	✓	1	-	-	1
Total	6	6	4	4	10

Above analysis shows that out of overall top ten companies six companies have acquired intellectual property rights and remaining for do not have such rights. As all the companies have disclosed about acquisition or not actualization of intellectual property rights its total score is 10 as compare to expected score 10 hence ten corporate governance index is 100%.

(II)**Table 4.3.13.2**

Disclosure about acquisition of the intellectual property rights by IT companies.

Expected Score = 10

Company	Yes	No	Points	Total
Info tech	–	✓	1	1
Patni	–	✓	1	1
NIIT	–	✓	1	1
Mastek	–	✓	1	1
Mrotek	–	✓	1	1
Zensar	–	✓	1	1
Sonata	–	✓	1	1
Javelin	–	✓	1	1
Tata Infotech	–	✓	1	1
HCL	–	✓	1	1
Total		10	10	10

C.G. Index = 100%

The above-mentioned table of IT companies reveals that not a single companies has acquired intellectual property rights. And this information is disclosed

(III)**Table 4.3.13.3**

Disclosure about acquisition of the intellectual property rights by Pharma and health care companies.

Expected Score = 10

Company	Yes	Points	No	Points	Total Score
Novarties		0	✓	1	1
Cipla		0	✓	1	1
Cadila		0	✓	1	1
Merck		0	✓	1	1
Pharmacia		0	✓	1	1
Biocon	✓	1	–	0	1
Glaxo Smith Kline	✓	1	–	0	1
Lupin	✓	1	–	0	1
Pfizer	✓	1	–	0	1
Aventis			✓	1	1
Total	4	4	6	6	10

Above tabulated data of sampled pharma companies unveils the information about disclosure of actualization of intellectual property rights. Out of 10 companies four companies have acquired such rights and six companies have not acquired such rights. As disclosure is complete its index is 100%

(IV) Table 4.3.13.4

Disclosure about acquisition of the intellectual property rights by top Banking and financial service sector companies.

Expected Score = 10

Company	Yes	Points	No.	Points	Total Score
Corporation Bank	—	-	✓	1	1
UCO Bank	—	-	✓	1	1
Karur Vysya Bank	—	-	✓	1	1
Kotak Mahindra Bank	—	-	✓	1	1
Allahbad Bank	✓	1	—	-	1
Bank of Maharastra	—	-	✓	1	1
Karnatak Bank	—	-	✓	1	1
Reliance Capital	—	-	✓	1	1
Global Trust Bank	—	-	✓	1	1
Bank of Punjab	—	-	✓	1	1
Total	1	1	9	9	10

CG Index 100%

Tabulated data discloses that the banking firm like Allahabad bank has intellectual property rights while other nine firms does not have such rights. As disclosure score is total 10 against expected score 10 its index is,

(V)

Table 4.3.13.5

Disclosure about acquisition of the intellectual property rights by FMCG companies.

Expected Score = 10

Company	Yes	Points	No	Points	Points
Navneet	-	-	✓	1	1
Titan	-	-	✓	1	1
Nirma	✓	1	-	-	1
Nestle	-	-	✓	1	1
Brittania	-	-	✓	1	1
Asian Paints	-	-	✓	1	1
Dabur	✓	1	-	-	1
Bata	-	-	✓	1	1
RayBan	-	-	✓	1	1
Colgate	✓	1	-	-	1
Total	3	3	7	7	10

Above tabulated data reveals that the firms like Nirma, Dabur and Colgate have acquired intellectual property rights while the firms like Navneet, Titan, Nestle Brittania, Asian Paints, Bata and Rayban have not acquired such intellectual property rights. Hence Index is 100%.

Researcher has evaluated each group score with index, Now she has tried to evaluated all groups index through comparative analysis.

(VI)

Table 4.3.13.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overtop top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

$$\begin{aligned}\text{Corporate Governance Index} &= \frac{50}{50} \times 100 \% \\ &= 100 \%\end{aligned}$$

Comparative analysis reveals that the sampled groups actual disclosure score is so and its expected score is also 50 hence disclosure has gained 100% indexes and it can be said that disclosure is efficiently disclosed.

XIV Disclosure about Joint Venture

This is important disclosure and if affects to functioning of any unit that is why as per the corporate governance norms, it should be disclosed.

(I)

Table 4.3.14.1

Disclosure about any joint venture done by any company of overall top ten companies.

Expected Score = 10

Company	Yes	Points	No	Points	Total
Reliance Ind.	✓	1	-	-	1
Wiper Ltd.	-	-	✓	1	1
Infosys	✓	1	-	-	1
Bharti Enterprise	-	-	✓	1	1
HDFC	-	-	✓	1	1
Dr. Reddy's lab	✓	1	-	-	1
Ranbaxy	✓	1	-	-	1
ITC	-	-	✓	1	1
ICICI Bank	-	-	✓	1	1
HLL	-	-	✓	1	1
Total	4	4	6	6	10

The above tabulated data of overall top ten companies reveals that the firms like Reliance, Infosys Dr. Reddy's lab, Ranbaxy have under gone through joint venture in financial year 2001 and 2002 while other firms have not undertake any joint venture or collaboration with foreign companies.

(II)

Table 4.3.14.2

Disclosure about any joint venture done by any company of IT companies.

Expected Score = 10

Company	Yes	Points	No	Points	Total
Info tech	-	-	✓	1	1
Patni	✓	1	-	-	1
NIIT	✓	1	-	-	1
Mastek	-	-	✓	1	1
Mrotek	-	-	✓	1	1
Zensar	✓	1	-	-	1
Sonata	✓	1	-	-	1
Javelin	-	-	✓	1	1
Tata Infotech	✓	1	-	-	1
HCL	✓	1	-	-	1
Total	6	6	4	4	10

The above data are related to the disclosure about joint denture with any foreign company of IT firms. The actual score is 10 and Expected score is 10 Hence.

$$\text{Corporate Governance Index} = \frac{10}{10} \times 100 \%$$

$$= 100 \%$$

As disclosure is 100% there is good disclosure.

(III)

Table 4.3.14.3

Disclosure about any joint venture done by any company of Pharma and Health care companies.

Expected Score = 10

Company	Yes	Points	No	Points	Total
Novarties	✓	1	-	-	1
Cipla	-	-	✓	1	1
Cadila	✓	1	-	-	1
Merck	-	-	✓	1	1
Pharmacia	-	-	✓	1	1
Biocon	✓	1	-	-	1
Glaxo Smith Kline	-	-	✓	1	1
Lupin	-	-	✓	1	1
Pfizer	-	-	✓	1	1
Aventis	✓	1	-	-	1
Total	4	4	6	6	10

As the data mentioned above reflects that out of ten pharma and Health care companies four companies have done joint venture in the last financial year 2001-02 while other firms have not undertake such joint venture. But disclosure is complete the corporate governance index 100%

(IV) Table 4.3.14.4

Disclosure about any joint venture done by any company of Banking and financial service companies.

Expected Score = 10

Company	Yes	Points	No.	Points	Total
Corporation Bank	-	-	✓	1	1
UCO Bank	-	-	✓	1	1
Karur Vysya Bank	-	-	✓	1	1
Kotak Mahindra Bank	-	-	✓	1	1
Allahbad Bank	-	-	✓	1	1
Bank of Maharastra	-	-	✓	1	1
Karnatak Bank	-	-	✓	1	1
Reliance Capital	-	-	✓	1	1
Global Trust Bank	✓	1	-	-	1
Bank of Punjab	-	-	✓	1	1
Total	1	1	9	9	10

Data tabulated above shows the banking firms disclosure about any foreign collaboration or transaction in last financial year. But only one firm has foreign transaction while other firm do not have the score is 10 with expected score 10. Hence index is 100%.

(V)

Table 4.3.14.5

Disclosure about any joint venture done by any company of FMCG companies.

Expected Score = 10

Company	Yes	Points	No	Points	Points
Navneet	–	-	✓	1	1
Titan	–	-	✓	1	1
Nirma	–	-	✓	1	1
Nestle	–	-	✓	1	1
Brittania	–	-	✓	1	1
Asian Paints	–	-	✓	1	1
Dabur	–	-	✓	1	1
Bata	–	-	✓	1	1
RayBan	–	-	✓	1	1
Colgate	–	-	✓	1	1
Total	–	-	10	10	10

Above mentioned data reveals the picture of FMCG firms, about the joint venture aspect. All the firms have disclosed the information hence the score is 100%.

(VI)

Table 4.3.14.6

Comparative Analysis of disclosure

Group	Total expected Disclosure score	Actual Score
1) Overtop top ten	10	10
2) IT	10	10
3) Pharma and health care	10	10
4) Banking and financial service	10	10
5) FMCG	10	10
Total	50	50

$$\text{Corporate Governance Index} = \frac{50}{50} \times 100 \%$$

$$= 100 \%$$

Comparative analysis discloses that the score is 100% Thus disclosure is efficiently disclosed.

XV Disclosure about sole licensee

The disclosure is related with whether firm is through some rights sole licensee in world or not.

(I) Table 4.3.15.1

Disclosure about sole licensee through joint venture of overall top ten companies.

Expected Score = 10

Company	Yes	No	Points	Total Score
Reliance Ind.	–	✓	1	1
Wipro Ltd.	–	✓	1	1
Infosys	–	✓	1	1
Bharti Enterprise	–	✓	1	1
HDFC	–	✓	1	1
Dr. Reddy's lab	–	✓	1	1
Ranbaxy	–	✓	1	1
ITC	–	✓	1	1
ICICI Bank	–	✓	1	1
HLL	–	✓	1	1
Total		10	10	10

The data reveals from the above table that the overall top ten firms have not any sole license through any joint venture.

(II)**Table 4.3.15.2**

Disclosure about sole licensee through joint venture of IT companies.

Expected Score = 10

Company	Yes	No	Points	Total
Info tech	–	✓	1	1
Patni	–	✓	1	1
NIIT	–	✓	1	1
Mastek	–	✓	1	1
Mrotek	–	✓	1	1
Zensar	–	✓	1	1
Sonata	–	✓	1	1
Javelin	–	✓	1	1
Tata Infotech	–	✓	1	1
HCL	–	✓	1	1
Total		10	10	10

As the data mentioned above shows that not a single company of IT group acquired sole license through joint ventures.

(III)**Table 4.3.15.3**

Disclosure about sole licensee through joint venture of overall Pharma and health care companies.

Expected Score = 10

Company	Yes	No	Points	Total
Novarties	–	✓	1	1
Cipla	–	✓	1	1
Cadila	–	✓	1	1
Merck	–	✓	1	1
Pharmacia	–	✓	1	1
Biocon	–	✓	1	1
Glaxo Smith Kline	–	✓	1	1
Lupin	–	✓	1	1
Pfizer	–	✓	1	1
Aventis	–	✓	1	1
Total		10	10	10

The data tabulated in above table reveals that the pharma and health care companies have not acquired any sole license through any joint venture

(IV) Table 4.3.15.4

Disclosure about sole licensee through joint venture of overall Banking and financial service companies.

Expected Score = 10

Company	Yes	No.	Points	Total
Corporation Bank	–	✓	1	1
UCO Bank	–	✓	1	1
Karur Vysya Bank	–	✓	1	1
Kotak Mahindra Bank	–	✓	1	1
Allahbad Bank	–	✓	1	1
Bank of Maharastra	–	✓	1	1
Karnatak Bank	–	✓	1	1
Reliance Capital	–	✓	1	1
Global Trust Bank	–	✓	1	1
Bank of Punjab	–	✓	1	1
Total	–	10	10	10

The data mentioned in above table of banking and financial service sector companies reveals that not a single company has acquired sole license through any joint venture. The disclosed score is 10 and expected score is 10 hence Index is 100%

(V)

Table 4.3.15.5

Disclosure about sole licensee through joint venture of overall FMCG companies.

Expected Score = 10

Company	Yes	No	Points	Total
Navneet	–	✓	1	1
Titan	–	✓	1	1
Nirma	–	✓	1	1
Nestle	–	✓	1	1
Brittania	–	✓	1	1
Asian Paints	–	✓	1	1
Dabur	–	✓	1	1
Bata	–	✓	1	1
RayBan	–	✓	1	1
Colgate	–	✓	1	1
Total	–	10	10	10

The data tabulated above reveals the information of FMCG firms about the aspect of sole license through joint ventures the disclosure is 100%. Hence index is 100%.

Researcher has evaluated data through comparative analysis of disclosure as under.

(VI)

Table 4.3.15.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overtop top ten	10	10
2)	IT	10	10
3)	Pharma and health care	10	10
4)	Banking and financial service	10	10
5)	FMCG	10	10
Total		50	50

50

Corporate Governance Index = — x 100 %

50

= 100 %

Researcher has drawn conclusion about the disclosure that the disclosure is disclosed completely.

XVI Disclosure about level of subsidiaries

How many levels of subsidiaries are owned by the companies has to be mentioned and disclosed by the firm in front of stakeholders. for that researcher has analyzed various annual reports and tabulated such data.

(I)

Table 4.3.16.1

Disclosure about level of the subsidiaries of overall top ten companies.

Expected Score = 10

Company	One tier	Two tier	Three tier	Total Score
Reliance Ind.	NM	NM	NM	0
Wipro Ltd.	NM	NM	NM	0
Infosys	NM	NM	NM	0
Bharti Enterprise	NM	NM	NM	0
HDFC	NM	NM	NM	0
Dr. Reddy's lab	NM	NM	NM	0
Ranbaxy	NM	NM	NM	0
ITC	NM	NM	NM	0
ICICI Bank	NM	NM	NM	0
HLL	NM	NM	NM	0
Total	–	–	–	0

Here not a single company has disclosed the information of level of subsidiaries. Hence the score of this disclosure is zero and index is also zero.

(II)

Table 4.3.16.2

Disclosure about level of the subsidiaries of IT companies

Expected Score = 10

Company	One tier	Two tier	Three tier	Total
Info tech	NM	NM	0	0
Patni	–	✓	1	1
NIIT	NM	NM	0	0
Mastek	NM	NM	0	0
Mrotek	NM	NM	0	0
Zensar	NM	NM	0	0
Sonata	NM	NM	0	0
Javelin	NM	NM	0	0
Tata Infotech	NM	NM	0	0
HCL	NM	NM	0	0
Total	-	1		1

The data mentioned in the above table reveals the information about the IT companies for the aspect of level of subsidiaries of IT companies but only single companies has disclosed the information other have not disclosed the information.

(III) Table 4.3.16.3

Disclosure about level of the subsidiaries of Pharma and Health care companies.

Expected Score - 10

Company	One tier	Two tier	Three tier	Points
Novarties	NM	NM	NM	0
Cipla	NM	NM	NM	0
Cadila	NM	NM	NM	0
Merck	NM	NM	NM	0
Pharmacia	NM	NM	NM	0
Biocon	NM	NM	NM	0
Glaxo Smith Kline	NM	NM	NM	0
Lupin	NM	NM	NM	0
Pfizer	NM	NM	NM	0
Aventis	NM	NM	NM	0
Total				0

Here by tabulating the data of Pharma and Health care companies researcher has analyzed that the companies have not mentioned about their levels of the subsidiaries. Thus the score is 0 and corporate governance index is nil.

(IV)

Table 4.3.16.4

Disclosure about level of the subsidiaries of top Banking and Financial Service sector companies

Company	One tier	Two tire	Points	Three tier	Total score of Unit.
Corporation Bank	NM	NM	NM	NM	0
UCO Bank	NM	NM	NM	NM	0
Karur Vysya Bank	–	✓	1	–	1
Kotak Mahindra Bank	–	✓	1	–	1
Allahbad Bank	NM	NM	NM	NM	0
Bank of Maharastra	NM	NM	NM	NM	0
Karnatak Bank	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	NM	0
Total	–	2			2

Above tabulated data reveals the information of banking and financial services unit of level of subsidiaries aspect. All the units do not disclose the disclosure only 2 banks disclosed the information.

(V)

Table 4.3.16.5

Disclosure about level of the subsidiaries of FMCG companies.

Expected Score = 10

Company	One tier	Two tire	Points	Three tire	Points
Navneet	NM	NM	0	NM	0
Titan	NM	NM	0	NM	0
Nirma	–	✓	1		1
Nestle	NM	NM	0	NM	0
Brittania	NM	NM	0	NM	0
Asian Paints	NM	NM	0	NM	0
Dabur	–	✓	1	–	1
Bata	NM	NM	0	NM	0
RayBan	NM	NM	0	NM	0
Colgate	NM	NM	0	NM	0
Total	–	2	2		2

Above data mentioned of FMCG firms reveals that only 2 companies have disclosed about level of subsidiaries while other firms have not mentioned about the level of subsidiaries.

$$\begin{aligned}\text{The corporate governance Index} &= \frac{2}{10} \times 100 \\ &= 20\%\end{aligned}$$

Hence data is poorly disclosed.

Researcher has made an attempt to evaluate the disclosure among sampled group through comparative analysis of disclosure.

(VI)

Table 4.3.16.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overtop top ten	10	0
2)	IT	10	1
3)	Pharma and health care	10	0
4)	Banking and financial service	10	2
5)	FMCG	10	2
Total		50	5

$$\text{Corporate Governance Index} = \frac{5}{50} \times 100 \%$$

$$= 10 \%$$

From the above analysis researcher has concluded that disclosure is poorly disclosed among sampled group.

XVII Disclosure about levels of investment in-group companies

This is important aspect to be known and to be disclosed in front of stakeholder. How much investment is being invested in subsidiaries. The information are analyzed by the researcher and tabulated as under.

(I)**Table 4.3.17.1**

Disclosure of level of investment in-group companies in top ten companies. Expected Score = 10

Company	>10%	11-30%	30-35%	50%	Points	Total
Reliance Ind.	✓	–	–	–	1	1
Wipro Ltd.	✓	–	–	–	1	1
Infosys	✓	–	–	–	1	1
Bharti Enterprise	–	✓	–	–	1	1
HDFC	–	✓	–	–	1	1
Dr. Reddy's lab	✓	–	–	–	1	1
Ranbaxy	✓	–	–	–	1	1
ITC	✓	–	–	–	1	1
ICICI Bank	✓	–	–	–	1	1
HLL	–	✓	–	–	1	1
Total	7	3	–	–	10	10

As the data mention in above table unveils that out of overall top ten companies seven companies have invested less than 10% in subsidiaries while 3 companies have invested 11-30% in subsidiaries.

(II)**Table 4.3.17.2**

Disclosure of level of investment in-group companies in top IT companies. Expected Score = 10

Company	>10%	11-30%	30-35%	50%	Points	Total
Info tech	✓	–	–	–	1	1
Patni	✓	–	–	–	1	1
NIIT	✓	–	–	–	1	1
Mastek	✓	–	–	–	1	1
Mrotek	NM	NM	NM	NM	0	0
Zensar	–	–	✓	–	1	1
Sonata	✓	–	–	–	1	1
Javelin	NM	NM	NM	NM	0	0
Tata Infotech	NM	NM	NM	NM	0	0
HCL	✓	–	–	–	1	1
Total	6	–	1		7	7

Data mentioned in the above table of IT companies reveals that out of 10 companies 6 firms have less than 10% investment in subsidiaries while one firm has 30-50% investment in subsidiaries. The firm like Mrotek, Juvelin and Tata Infotech has not mentioned the information.

(III)

Table 4.3.17.3

Disclosure of level of investment in-group companies in Pharma and Health care companies Expected Score = 10

Company	>10 %	11-30 %	30-35 %	50 %	Points	Total
Novarties	NM	NM	NM	NM	0	0
Cipla	NM	NM	NM	NM	0	0
Cadila	–	✓	–	–	1	1
Merck	NM	NM	NM	NM	0	0
Pharmacia	NM	NM	NM	NM	0	0
Biocon	NM	NM	NM	NM	0	0
Glaxo Smith Kline	NM	NM	NM	NM	0	0
Lupin	–	–	–	✓	1	1
Pfizer	–	–	–	✓	1	1
Aventis	–	–	✓	–	1	1
Total		1	1	2	4	4

The above-tabulated data of pharma and health care companies reveals that actual score of units is 4 against expected score of 10 in the aspect of investment level in subsidiaries.

$$\text{Corporate governance index} = \frac{4}{10} \times 100 = 40\%$$

(IV)

Table 4.3.17.4

Disclosure of investment in group companies in top Banking and financial service sector companies.

Expected Score = 10

Company	>10%	11-30%	30-35%	50%	Points	Total score
Corporation Bank	✓	–	–	–	1	1
UCO Bank	✓	–	–	–	1	1
Karur Vysya Bank	NM	NM	NM	NM	0	0
Kotak Mahindra Bank	NM	NM	NM	NM	0	0
Allahbad Bank	✓	–	–	–	1	1
Bank of Maharashtra	✓	–	–	–	1	1
Karnatak Bank	✓	–	–	–	1	1
Reliance Capital	✓	–	–	–	1	1
Global Trust Bank	✓	–	–	–	1	1
Bank of Punjab	✓	–	–	–	1	1
Total	8				8	8

Above tabulated data reveals the information of banking and financial services unit of level of subsidiaries aspect. All the units do not disclose the disclosure only 2 bones have disclosed the information.

(V)

Table 4.3.17.5

Disclosure of level of investment in-group companies in top FMCG

Expected Score = 10

Company	>10%	11-30%	30-35%	50%	Points	Total Score
Navneet	NM	NM	NM	NM	0	0
Titan	NM	NM	NM	NM	0	0
Nirma		✓			1	1
Nestle	NM	NM	NM	NM	0	0
Brittania	NM	NM	NM	NM	0	0
Asian Paints	NM	NM	NM	NM	0	0
Dabur	✓	–	–	–	1	1
Bata	NM	NM	NM	NM	0	0
RayBan	NM	NM	NM	NM	0	0
Colgate	–	✓	–	–	1	1
Total	1	2	–	–	3	3

Above table of FMCG, firms reveals that out of ten firms 3 firms have disclosed the information about level of investment in subsidiaries while other 7 units have not disclosed the information.

Thus the score is 30%

$$\text{Corporate governance Index} = \frac{3}{10} \times 100$$

$$= 30\%$$

(VI)

Table 4.3.17.6

Comparative analysis of disclosure

Group		Total expected Disclosure score	Actual Score
1)	Overtop top ten	10	10
2)	IT	10	07
3)	Pharma and health care	10	04
4)	Banking and financial service	10	08
5)	FMCG	10	03
Total		50	32

$$\text{Corporate Governance Index} = \frac{32}{50} \times 100 \%$$

$$= 64 \%$$

From the above analysis it can be said that the disclosure is moderately disclosed, as its score is 64% only.

ANALYSIS OF PARAMETER WISE DISCLOSURE

Table 4.4.1

The Score points and respective index of the parameters of the CG disclosure in relation to Transparency and Disclosure

Parameters	Overall Top ten	IT	Pharma And Health care	Banking	FMCG	Score %	Rank
Shareholders information Disclosure	340	340	340	340	340	100	A
Salary component of Director	10	37	37	35	31	75	A
Resume of the director for appointment	30	30	30	30	30	100	A
Relative conflict	10	10	10	10	10	100	A
Commission to the non executive directors	10	10	10	10	10	100	A
Record of the share holding pattern	10	10	10	10	10	100	A
Loans and advances	10	10	10	10	10	100	A
Investment in subsidiaries	10	10	10	10	7	94	A
Employees Stock option plan	10	10	10	10	10	100	A
Following of the ICSI norms	10	10	10	10	10	100	A
Any case pending in the DRT court	10	10	10	10	10	100	A
Financial Risk policy	4	4	2	10	0	10	C
Major financial transaction	10	10	10	10	10	100	A
Any major joint venture	10	10	10	10	10	100	A
Sole licensee in the world through joint venture	10	10	10	10	10	100	A
Level of the subsidiaries	0	1	0	2	2	10	C
Information about the Borrowing	10	7	4	8	3	64	B
Total (B)	504	529	523	535	513		
Expected score (A)	580	580	580	580	580		
B/A (%)	86.8	91.2	90.1	92.2	88.4		

Above analysis reveals that out of total 17 parameters 14 parameters have been efficiently disclosed and 1 parameter is moderately disclosed while 2 parameters are least disclosed.

Researcher has developed the ANOVA test in the following manner

Table 4.4.2
ANOVA table of Hypothesis testing

Sources of Variance	SS	d.f.	MS	F ratio	5%F limit (table Value)
Between the sample	36	5-1=4	36/4=9	.001	F(4,80)=3.48
With in the Sample	513546	85-5=80	513546/80 =6419		
Total	513582	85-1=84			

As the above mentioned table of the disclosure of transparency and general share holder disclosure indicates that the table value more than the calculated value so researcher has drawn the conclusion that the null hypothesis stands.

CHEPTER – 5

DISCLOSURE OF CORPORATE GOVERNANCE WITH REFERENCE TO SHAREHOLDERS CLAIM SATISFACTION AND FINANCIAL INFORMATION

Stakeholder's claims are bound to appear in the regular course of business. There are different stakeholders who are important to be taken care of by the company. They are shareholders, employees, customers, middlemen, society, financial, institutions, and government as well foreign direct investors.

Each of the stakeholders is directly or indirectly related with the company and it significantly affects to the decision of management. That is why the disclosures related to the stakeholders are important to be disclosed in front of stakeholder when the size and scope of any corporate expands, it affects pare to the value of stake holders, so while expanding and managing large corporate world, whether corporate executives are balancing the value of stakeholders or not are evaluated by the researcher in this part.

Apart from the stakeholder's satisfaction financial information are also included. Financial disclosures are the important disclosures, as every company has to be transparent in financial disclosure so that it can well inform the investors about where their funds are moving.

“If a corporation is to be viable attraction for capital, its board must ensure disclosure and transparency concerning the companies true financial performance as well as its governance practices”. Accounting games may be short-term fixes but they are not long-term bases for financial creditability.

The centrality of financial reporting in establishing the creditability of a management and corporate affairs is well brought out by the Institute of chartered Accountants of India in its “Framework for the preparation and presentation of financial statements” in the these words: **Financial statement also show the results of the stewardship of management or the accountability of management for the resources entrusted to it.** Those users who wish to assess the stewardship or accountability of management do so in order that they may make economic decisions; There decisions may include for example, whether to hold or sell their investments in the enterprise or whether to reappoint or replace the management.

In this reference researcher has evaluated sampled group performance with the help of 16 parameters, each parameter tabulated by collected data and Evaluated by assigning score to the parameter.

Parameters are then evaluated as whether the disclosure is efficiently disclosure or not by comparative analysis. Then corporate governance index is employed to check the efficiency. Researcher has evaluated disclosure as efficiently disclosure if the index reflects the percentage in between 100 to 75 as moderately disclosed if the percentage is in between 75 to 50 and least disclosed if the score index reflects the percentage below 50.

Each parameter, which is inducted in the stakeholders, claim satisfaction and financial information, would be described by the researcher as under.

- ❑ In the first parameter researcher has tabulated the data with the reference of separate investors grievance cell. If there is a separate investors grievance cell for entertaining the complaints of the stakeholders or not.

- ❑ If firm has separate cell to look after to the stakeholder's grievance, it should also disclose that how many complaints are received by the firm throughout the year and how many of them are resolved by the company especially in this matter firm is required to be transparent.
- ❑ Another important aspect is that in how many days' complaints have been resolved. Whether it was 21 days in relation to stakeholders claim more 11 to 20 days, 7 to 10 days or less than 7 days.
- ❑ Another important disclosure of corporate governances in relation to stakeholders claim satisfaction, is any resolution moved by minority shareholders holding more than 10% or 1000 shareholders, whichever is less, at the last AGM / EGM.
- ❑ Researcher has also included the parameter as the indication of the financial information that whether any amount of share application money is pending for the allotment for more than 3 months in other company.
- ❑ The parameter of written off amount by the company which is more than 5% of outstanding amount if such amount is written off or waived by company it has to disclose in front of the company's investors.
- ❑ Certain aspects which are necessary to be disclosed are expenditure incurred behind research and unclaimed dividends which are also examined in this reference. Research expenditures are important to be disclosed that out of total expenditure how much expenditure are spent towards research activities. So far as unclaimed dividend is concerned with the amount of dividend which do the shareholders not claim? It should be disclosed in the financial reporting of the company full stop.

- ❑ Researcher has also included the parameter of EVA (Economic value Added) measures for the profitability of the company after taking into account the cost of all capital including equity. It is the post tax return on the capital employed minus the cost of capital employed. The companies earning higher returns than cost of capital are considered to create value.

Out of sampled group companies. The researcher measures how many companies have disclosed the information of EVA.

- ❑ In the financial information the researcher that is dividend also includes one aspect in which every investor is interested and bonus shares. In last five years how much percentage of dividend is distributed or any bonus share issued to the shareholder is analyzed with the reference. If company has given bonus share or percentage of dividend is increasing then it makes good impact on the mind of investors.
- ❑ Apart from above researcher has included detailed parameter of financial information which checks the capital employed, paid up capital, Net worth, Gross profit, Tax paid, Net profit, EPS (Earning per share), Book value of shares, market price of share and P/E ratio that is profitability earning ratio.

Success is not the art of making mistakes when nobody is looking at True success is the truthful expression of the performance when it is measured. It is said that a corporate image is what you think of a company when you think of it, it is now becoming a habit among the corporate watchers to think of the 'governance' of a company when something is heard of a company. Accounting, which has evolved itself from more book keeping into establishing the accountability of management to a stakeholder

in the corporate affairs; is increasingly becoming the image-maker of a company. The accountant is no longer the make up man for the company. He makes the image of the company by his strict adherence to accounting principles as enunciated in Accounting standards pronounced by professional bodies and by being transparent in financial reporting

5.2 Data Analysis

Data collected are tabulated by researcher in following manner further each disclosure is evaluated through comparative analysis among sampled units through following formula

$$\text{Index} = \frac{\text{Actual Score}}{\text{Expected score}} = 100$$

I Disclosure about existence of grievance cell

The disclosure of investors grievance cell reveals the aspect whether particular unit has special department to handle the investors' complaints or not as this disclosure is important disclosure, researcher has employed annual reports of various companies and through published data researcher has drawn the information.

(I)

Table 5.2.1.1

Disclosure about expenses of investors grievance cell of overall top ten companies

Expected Score = 10

Company	Yes	Points	No.	Total Score
Reliance	✓	1	–	1
Wiper	✓	1	–	1
Infosys	✓	1	–	1
Bharti enterprise	✓	1	–	1
HDFC	✓	1	–	1
Dr Reddy	✓	1	–	1
Ranbaxy	✓	1	–	1
ITC	✓	1	–	1
ICICI	✓	1	–	1
HLL	✓	1	–	1
Total	10			10

As the data mentioned above of the top ten over all best companies, almost all the companies have separate investor grievance cell. The companies like Reliance, Wipro Bharti Enterprise, HDFC, ICICI, ITC DR Reddy's Lab, Ranbaxy, Hindustan Lever Limited and Infosys have kept separate department to handle grievance of investors.

(II)

Table 5.2.1.2

Disclosure about existence of investor grievance cell of IT companies

Expected Score = 10

Company	Yes	Points	No.	Total Score
InfoTech	✓	1	–	1
Patni	✓	1	–	1
NIIT	✓	1	–	1
Mastek	✓	1	–	1
Mrotek	✓	1	–	1
Zensar	✓	1	–	1
Sonata	✓	1	–	1
Javelin	✓	1	–	1
Tata InfoTech	✓	1	–	1
HCL	✓	1	–	1
Total	10			

CG Index = 100%

As the data tabulated in above table explains that the IT companies which are taken as sample by the researcher have separate grievance handling cell, specially created to solve the problem of share holders and other investors.

(III)

Table 5.2.1.3

Disclosure about existence of investor grievance cell of Pharma and Health care companies Expected Score = 10

Company	Yes	Points	No.	Total Score
Novartis	✓	1	–	1
Cipla	✓	1	–	1
Cadila	✓	1	–	1
Merck	✓	1	–	1
Pharmacia	✓	1	–	1
Biocon	✓	1	–	1
Glaxo Smith Kline	✓	1	–	1
Lupin	✓	1	–	1
Pfizer	✓	1	–	1
Aventis	✓	1	–	1
Total	10	10		10

CG Index = 100%

Data tabulated in above table reverb that the Pharma and Health care companies have score of 10 points against expected score of 10 in investors grievance cell aspect.

Researcher has found that all the firms have separate section to solve problem of investors.

(IV)

Table 5.2.1.4

Disclosure about existence of investor grievance cell of Banking and
Financial service sector companies Expected Score = 10

Company	Yes	Points	No.	Total Score
Corporation Bank	✓	1	–	1
Uco Bank	✓	1	–	1
Karur Vysya Bank	✓	1	–	1
Kotak Mahindra Bank	✓	1	–	1
Allahbad Bank	✓	1	–	1
Bank of Maharashtra	✓	1	–	1
Karnataka Bank	✓	1	–	1
Reliance Capital	✓	1	–	1
Global Trust Bank	✓	1	–	1
Bank of Punjab	✓	1	–	1
Total	10	10	–	10

CG Index = 100%

Banking and financial service sector units have been researched by researcher and found information about their separate section for investors grievance cell. It is found that each firm has investors grievance cell so,

(V)

Table 5.2.1.5

Disclosure about existence of investor grievance cell of FMCG companies
Expected Score = 10

Company	Yes	Points	No.	Total Score
Nevneet	✓	1	–	1
Titan	✓	1	–	1
Nirma	✓	1	–	1
Nestle	✓	1	–	1
Britannia	✓	1	–	1
Asian Paints	✓	1	–	1
Dabur	✓	1	–	1
Bata	✓	1	–	1
Rayban	✓	1	–	1
Colgate	✓	1	–	1
Total	10	10		10

Data tabulated in above table reveals that the firms belong to FMCG categories have separate cell to entertain complaints of investors. Thus their score of corporate governance norms is 10 against expected score 10. So index is 100%.

Researcher has evaluated separately each group and then has made an attempt to evaluate efficiency of disclosure among group through comparative analysis.

(VI) Table 5.2.1.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	10
IT	10	10
PharmaAnd Healthcare	10	10
Banking And Financial Service	10	10
FMCG	10	10
Total	50	50

$$\begin{aligned}
 \text{Corporate governance Index} &= \frac{50}{50} \times 100 \\
 &= 100\%
 \end{aligned}$$

As comparative analysis and CG index indicates sampled group efficiently discloses the disclosure about existence of investors governance cell.

II Disclosure About Complaints Resolved

Every year company receives no. Of complaints and it is as responsibility to solve the complaints without time gap. So by considering this researcher has collected data related this aspect by analysis annual reports of sampled companies and found out that out of total complaints how many complaints are resolved and how many complaints are pending. This shows efficiency of investor's grievance cells' efficiency.

Analysis of table no 5.2.2.1

Above data reveals that out of overall top ten companies 2 companies like Dr. Reddy's Lab and HLL have not mentioned about the complains resolved disclosure. While other firms in this group have shown the information. Thus

$$\begin{aligned}\text{Corporate governance index is} &= \frac{24}{30} \times 100 \\ &= 80\%.\end{aligned}$$

(I)

Table 5.2.2.1

Disclosure about resolved complaints of over all top ten companies.

(Expected Score = 30)

Company	Complaints Received	Points	Complaints Received	Points	Complaints Pending	Points	Total Score
Reliance	20483	1	20483	1	–	1	3
Wipro	118	1	118	1	–	1	3
Infosys	159	1	159	1	–	1	3
Bharti enterprise	113	1	111	1	2	1	3
HDFC	16	1	16	1	–	1	3
Dr Reddy's Lab	NM	0	NM	1	NM	0	0
Ranbaxy	16	1	16	1	–	1	3
ITC	917	1	917	1	–	1	3
ICICI	3468	1	3468	1	–	1	3
HLL	NM	0	NM	0	NM	0	0
Total	–	8	–	8	–	8	24

(II)

Table 5.2.2.2

Disclosure about complaints solved during the last year of IT companies

(Expected Score = 30)

Company	Complaints Received	Points (10)	Complaints Received	Points (10)	Complaints Pending	Points	Total Score
InfoTech	NM	0	NM	0	NM	0	0
Patni	788	1	788	1	-	1	3
NIIT	203	1	203	1	-	1	3
Mastek	NM	0	NM	0	NM	0	0
Mrotek	NM	0	NM	0	NM	0	0
Zensar	260	1	260	1	-	1	3
Sonata	275	1	275	1	-	1	3
Javelin	NM	0	NM	0	NM	0	0
Tata InfoTech	1002	1	1002	1	-	1	3
HCL	NM	0	NM	0	NM	0	0
Total	-	5		5	-	5	15

Data tabulated of IT companies reveals that the companies like InfoTech, Mastek, Mrotek, Javelin and HCL have not disclosed about status of complaints of shareholders.

Thus the score is 15 against 30, which is expected.

So, corporate governance Index is 50%.

(III)

Table 5.2.2.3

Disclosure about complaints solved during the last year of Pharma and Health Care companies

(Expected Score = 30)

Company	Complaints Received	Points 10	Complaints Received	Points 10	Complaints Pending	Points 10	Total Score 30
Novartis	97	1	97	1	-	1	3
Cipla	NM	0	NM	0	NM	0	0
Cadila	NM	0	NM	0	NM	0	0
Merck	364	1	364	1	15	1	3
Pharmacia	24	1	24	1	2	1	3
Biocon	NM	0	NM	0	NM	0	0
Glaxo Smith Kline	485	1	485	1	-	1	3
Lupin	584	1	584	1	-	1	3
Pfizer	4432	1	4432	1	-	1	3
Avents	6	1	6	1	-	1	3
Total	-	7	-	7	-	7	21

This disclosure is important disclosure, which is required to be disclosed by companies. But the companies like Cipla, Cadila, and Biocon have not disclosed information in their Annual reports. Thus,

$$\begin{aligned} \text{Corporate governance Index is} &= \frac{21}{30} \times 100 \\ &= 70\%. \end{aligned}$$

(IV)

Table 5.2.2.4

Disclosure about complaints solved during the last year of Banking and financial service sectors units

(Expected Score = 30)

Company	Complaints Received	Points	Complaints Received	Points	Complaints Pending	Points	Total Score
Corporation Bank	137	1	137	1	-	1	3
Uco Bank	12902	1	12902	1	-	1	3
Karur Vysya Bank	73	1	73	1	-	1	3
Kotak Mahindra Bank	682	1	682	1	-	1	3
Allahbad Bank	6547	1	6547	1	-	1	3
Bank of Maharashtra	NM	0	NM	0	NM	0	0
Karnataka Bank	616	1	616	1	2	1	3
Reliance Capital	1886	1	1886	1	-	1	3
Global Trust Bank	334	1	334	1	6	1	3
Bank of Punjab	4465	1	4465	1	-	1	3
Total	-	9	-	9	-	9	27

The data tabulated in above table reveals that the Banking sector firms have disclosed the aspect of complaints received and resolved. But one unit i.e. Bank of Maharashtra has not mentioned about this. Thus, the score is 27 against Expected score 30 and index is 90%.

(V)

Table 5.2.2.5

Disclosure about complaints solved during the last year of top FMCG companies

(Expected Score = 30)

Company	Complaints Received	Points	Complaints Received	Points	Complaints Pending	Points	Total Score
Nevneet	41	1	41	1	-	1	3
Titan	4972	1	4972	1	-	1	3
Nirma	NM	0	NM	0	NM	0	0
Nestle	245	1	245	1	-	1	3
Britannia	153	1	153	1	-	1	3
Asian Paints	NM	0	NM	0	NM	0	0
Dabur	177	1	177	1	2	1	3
Bata	189	1	189	1	-	1	3
Rayban	187	1	187	1	9	1	3
Colgate	2655	1	2655	1	-	1	3
Total	-	8	-	8	-	8	24

Data tabulated in above table reveals that the FMCG companies have disclosed about the complaints status but 2 companies like Nirma and Asion paints have not disclosed such information.

24

Corporate governance index = — x 100

30

= 80%.

(VI)

Table 5.2.2.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	30	24
IT	30	15
PharmaAnd Healthcare	30	21
Banking And Financial Service	30	27
FMCG	30	24
Total	150	111

$$\begin{aligned}\text{Corporate governance Index} &= \frac{111}{150} \times 100 \\ &= 74\%\end{aligned}$$

By referring to the comparative analysis researcher has found that the corporate governance disclosure is moderately disclosed with regards to shareholders complaints resolved.

III Disclosure about average time taken in solving complaints

As per the corporate governance norms the complaints of investors should be solved as fast as possible so that the trust of Stakeholders will improve.

Researcher has tabulated gathered data in this respect

(I)

Table 5.2.3.1

Disclosure about average time taken in solving shareholder's complaints of overall top ten companies

(Expected Score =10)

Company	21 Days or More	11-20 days	7-10 days	> Than 7 days	Total Score
Reliance	NM	NM	NM	NM	0
Wipro	✓	—	—	—	1
Infosys	✓	—	—	—	1
Bharti enterprise	✓	—	—	—	1
HDFC	—	✓	—	—	1
Dr Reddy	✓	—	—	—	1
Ranbaxy	—	—	✓	—	1
ITC	✓	—	—	—	1
ICICI	—	—	—	✓	1
HLL	NM	NM	NM	NM	0
Total	5	1	1	1	8

Data mentioned in above table reveals that the actual score of overall top ten companies in relation to complaints resolved time is 8 and expected score is 10. Hence,

$$\begin{aligned}\text{Corporate governance Index} &= \frac{8}{10} \times 100 \\ &= 80\%.\end{aligned}$$

(II)**Table 5.2.3.2**

Disclosure about average time taken in solving shareholders' complaints of IT companies. Expected Score = 10

Company	21 Days or More	11-20 days	7-10 days	> Than 7 days	Total Score
InfoTech	NM	NM	NM	NM	0
Patni	-	-	-	✓	1
NIIT	NM	NM	NM	NM	0
Mastek	NM	NM	NM	NM	0
Mrotek	NM	NM	NM	NM	0
Zensar	NM	NM	NM	NM	0
Sonata	✓	-	-	-	1
Javelin	NM	NM	NM	NM	0
Tata InfoTech	NM	NM	NM	NM	0
HCL	-	✓	-	-	1
Total	1	1	-	1	3

CG Index = $3 \div 10 \times 100 = 30\%$

Above mentioned data of IT firms reveals that out of 10 companies only 3 companies have disclosed about average time taken in solving complaints. Hence,

(III)**Table 5.2.3.3**

Disclosure about average time taken in solving shareholder's complaints of Pharma and Health care companies Expected Score = 10

Company	21 Days or More	11-20 days	7-10 days	> Than 7 days	Total Score
Novartis	NM	NM	NM	NM	0
Cipla	NM	NM	NM	NM	0
Cadila	✓				1
Merck	NM	NM	NM	NM	0
Pharmacia	NM	NM	NM	NM	0
Biocon	✓				1
Glaxo Smith Kline		✓			1
Lupin	✓				1
Pfizer	NM	NM	NM	NM	0
Avents	NM	NM	NM	NM	0
Total	3	1			4

CG Index 40%

As the data mentioned in above table reveals that the companies like Novartis, Cipla, Merck, Pharmacia, Pfizer and Aventis have not mentioned about complaints solving time. Thus,

(IV) Table 5.3.4

Disclosure about average time taken in solving shareholder's complaints of Banking and financial sector companies.

(Expected Score = 10)

Company	21 Days or More	11-20 days	7-10 days	> Than 7 days	Total Score
Corporation Bank	✓	—	—	—	1
Uco Bank	✓	—	—	—	1
Karur Vysya Bank	NM	NM	NM	NM	0
Kotak Mahindra Bank	—	—	✓	—	1
Allahbad Bank	✓	—	—	—	1
Bank of Maharashtra	NM	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	0
Bank of Punjab	—	—	✓	—	1
Total	3		2		5

5

$$\begin{aligned} \text{Corporate governance Index} &= \frac{5}{10} \times 100 \\ &= 50\% \end{aligned}$$

The data tabulated in above table reveals that out of 10 banking firms 5 firms have mentioned about complains solving time. While other 5 units have not mentioned in their annual reports about this aspects. Thus,

(V)

Table 5.2.3.5

Disclosure about average complaints solved during last year of FMCG companies

Expected Score = 10

Company	21 Days or More	11-20 days	7-10 days	> Than 7 days	Total Score
Nevneet	NM	NM	NM	NM	0
Titan	✓				1
Nirma	NM	NM	NM	NM	0
Nestle	NM	NM	NM	NM	0
Britannia	✓				1
Asian Paints	NM	NM	NM	NM	0
Dabur	NM	NM	NM	NM	0
Bata	NM	NM	NM	NM	0
Rayban			✓		1
Colgate	NM	NM	NM	NM	0
Total	2		1		3

As the data mentioned in above table highlights that out 10 firms only 3 firms have corporate governance disclosure is $= \frac{3}{10} \times 100$
 $= 30\%$.

Further, Researcher has compared the disclosure among sampled group companies through comparative analysis as under.

(VI)

Table 5.2.3.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	8
IT	10	3
P & HC	10	4
Banking & FS	10	5
FMCG	10	3
Total	50	23

$$\begin{aligned}\text{Corporate governance Index} &= \frac{23}{50} \times 100 \\ &= 46\%\end{aligned}$$

Corporate governance disclosure is poorly disclosed as the score is 23 against 50 and index reflects less than 50% of percentage.

IV Disclosure about any special Resolution moved by shareholders in last ACM

This is important disclosure and which emphasis on the aspect, which is related to, any special resolution moved by any shareholder and its result that whether that resolution is approved or dropped.

The data collected by researcher are tabulated as under.

(I) Table 5.4.1

Disclosure about any special resolution moved by Shareholder of over all top ten companies.

Expected Score = 40

Company	No. of share Holders	Results	Approved	Dropped	Total Score
Reliance	NM	NM	NM	NM	0
Wipro	NM	NM	NM	NM	0
Infosys	NM	NM	NM	NM	0
Bharti enterprise	NM	NM	NM	NM	0
HDFC	NM	NM	NM	NM	0
Dr Reddy	NM	NM	NM	NM	0
Ranbaxy	NM	NM	NM	NM	0
ITC	NM	NM	NM	NM	0
ICICI	NM	NM	NM	NM	0
HLL	NM	NM	NM	NM	0
Total	—	—	—	—	0

As data tabulated in above table reveals that not a single companies has disclosed the disclosure. Hence the score is zero and corporate governance index is also zero.

(II)

Table 5.2.4.2

Disclosure about any special resolution moved by Shareholder of IT companies

Expected Score = 40

Company	No. of share Holders	Results	Approved	Dropped	Total Score
InfoTech	NM	NM	NM	NM	0
Patni	NM	NM	NM	NM	0
NIIT	NM	NM	NM	NM	0
Mastek	NM	NM	NM	NM	0
Mrotek	NM	NM	NM	NM	0
Zensar	NM	NM	NM	NM	0
Sonata	NM	NM	NM	NM	0
Javelin	NM	NM	NM	NM	0
Tata InfoTech	NM	NM	NM	NM	0
HCL	NM	NM	NM	NM	0
Total	–	–	–	–	0

As data tabulated in above table reveals that not a single companies has disclosed the disclosure. Hence the score is Nil and corporate governance index is also zero

(III)**Table 5.2.4.3**

Disclosure about any special resolution moved by Shareholder of
Pharma and health care companies

Expected Score = 40

Company	No. of share Holders	Results	Approved	Dropped	Total Score
Novartis	NM	NM	NM	NM	0
Cipla	NM	NM	NM	NM	0
Cadila	NM	NM	NM	NM	0
Merck	NM	NM	NM	NM	0
Pharmacia	NM	NM	NM	NM	0
Biocon	NM	NM	NM	NM	0
Glaxo Smith Kline	NM	NM	NM	NM	0
Lupin	NM	NM	NM	NM	0
Pfizer	NM	NM	NM	NM	0
Avents	NM	NM	NM	NM	0
Total	—	—	—	—	0

As data tabulated in above table reveals that not a single company has disclosed the disclosure. Hence the score is zero and corporate governance index is also zero.

(IV)

Table 5.2.4.4

Disclosure about any special resolution moved by Shareholder of
Banking and financial service sector companies

Expected Score = 40

Company	No. of share Holders	Results	Approved	Dropped	Total Score of unit
Corporation Bank	NM	NM	NM	NM	0
Uco Bank	NM	NM	NM	NM	0
Karur Vysya Bank	NM	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	NM	0
Bank of Maharashtra	NM	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	NM	0
Total	—	—	—	—	00

As data tabulated in above table reveals that not a single companies has disclosed the disclosure. Hence the score is zero and corporate governance index is also zero.

(V)

Table 5.2.4.5

Disclosure about any special resolution moved by Shareholder of FMCG companies

Expected Score = 40

Company	No. of share Holders	Results	Approved	Dropped	Total Score of unit
Nevneet	NM	NM	NM	NM	0
Titan	NM	NM	NM	NM	0
Nirma	NM	NM	NM	NM	0
Nestle	NM	NM	NM	NM	0
Britannia	NM	NM	NM	NM	0
Asian Paints	NM	NM	NM	NM	0
Dabur	NM	NM	NM	NM	0
Bata	NM	NM	NM	NM	0
Rayban	NM	NM	NM	NM	0
Colgate	NM	NM	NM	NM	0
Total	–	–	–	–	0

As data tabulated in above table reveals that not a single companies has disclosed the disclosure. Hence the score is zero and corporate governance index is also zero.

(VI)

Table 5.4.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	40	0
IT	40	0
Pharma and Health Care	40	0
Banking & FS	40	0
FMCG	40	0
Total	200	0

$$\begin{aligned}\text{Corporate government Index} &= \frac{0}{200} \times 100 \\ &= 0\% \\ &= \text{Zero}\end{aligned}$$

Through comparative analysis Researcher has concluded that the disclosure is very poorly disclosed as index reflects nil score.

V Disclosure about share application money pending more than 1cr.

This disclosure is related with financial efficiency of company. If such amount remained pending then it should be disclosed in front of share holders and if not then also should be disclosed, Researcher has gathered data from published annual reports and find out that whether such money of application is pending or not.

(I)

Table 5.5.1

Disclosure about the share application money pending in other company amounting more than 1 Cr, of over all top ten companies

Expected Score = 10

Company	Pending	NO Pending	Score	Total Score
Reliance	—	✓	1	1
Wipro	—	✓	1	1
Infosys	—	✓	1	1
Bharti enterprise	—	✓	1	1
HDFC	—	✓	1	1
Dr Reddy	—	✓	1	1
Ranbaxy	—	✓	1	1
ITC	—	✓	1	1
ICICI	—	✓	1	1
HLL	—	✓	1	1
Total		10	10	10

Hence,

$$\begin{aligned}\text{Corporate government Index} &= \frac{10}{10} \times 100 \\ &= 100\%\end{aligned}$$

Data tabulated in above table reveals the disclosure is disclosed 100% and not a single company has pending share application money in other company.

(II)

Table 5.2.5.2

Disclosure about the share application money pending in other company amounting more than 1 Cr. IT companies.

Expected Score = 10

Company	Pending	No Pending	Score	Total Score
InfoTech	—	✓	1	1
Patni	—	✓	1	1
NIIT	—	✓	1	1
Mastek	—	✓	1	1
Mrotek	—	✓	1	1
Zensar	—	✓	1	1
Sonata	—	✓	1	1
Javelin	—	✓	1	1
Tata InfoTech	—	✓	1	1
HCL	—	✓	1	1
Total		10	10	10

Hence disclosure is good

$$\begin{aligned}\text{Corporate government Index} &= \frac{10}{10} \times 100 \\ &= 100\%\end{aligned}$$

The data tabulated in above table reveals that the sampled IT companies have not pending amount of share application money in any other company.

(III)**Table 5.5.3**

Disclosure about the share application money pending in other company amounting more than 1 cr. Of Pharmaand health care companies.

Expected Score = 10

Company	Pending	No Pending	Score	Total Score
Novartis	—	✓	1	1
Cipla	—	✓	1	1
Cadila	—	✓	1	1
Merck	—	✓	1	1
Pharmacia	—	✓	1	1
Biocon	—	✓	1	1
Glaxo Smith Kline	—	✓	1	1
Lupin	—	✓	1	1
Pfizer	—	✓	1	1
Avents	—	✓	1	1
Total		10	10	10

As the data mentioned in above table unveils that the PharmaCompanies Like Novartis, Cipla, Cadila, Merck, Pharamcia, Biocon, Glaxo Smithkline, Lupin, Pfizer, and Avents have not pending amount of share application more than 1 Cr.

Hence,

$$\begin{aligned}
 \text{Corporate government Index} &= \frac{10}{10} \times 100 \\
 &= 100\%
 \end{aligned}$$

(IV)

Table 5.2.5.4

Disclosure about the share application money pending in other company amounting more than 1 cr. Of Banking and financial service companies

Expected Score = 10

Company	Pending	No Pending	Score	Total Score
Corporation Bank	—	✓	1	1
Uco Bank	—	✓	1	1
Karur Vysya Bank	—	✓	1	1
Kotak Mahindra Bank	—	✓	1	1
Allahbad Bank	—	✓	1	1
Bank of Maharashtra	—	✓	1	1
Karnataka Bank	—	✓	1	1
Reliance Capital	—	✓	1	1
Global Trust Bank	—	✓	1	1
Bank of Punjab	—	✓	1	1
Total		10	10	10

As the data tabulated in above table reveals that the banking sector firms do not have any share application amount pending more than 1 cr. Rs. Amt. Thus score is 10 against expected score of 10.

$$\begin{aligned}\text{Corporate governance Index} &= \frac{10}{10} \times 100 \\ &= 100\%.\end{aligned}$$

(V)

Table 5.2.5.5

Disclosure about the share application money pending in other company amounting more than 1 cr. Of FMCG companies

Expected Score = 10

Company	Pending	No Pending	Score	Total Score
Nevneet	—	✓	1	1
Titan	—	✓	1	1
Nirma	—	✓	1	1
Nestle	—	✓	1	1
Britannia	—	✓	1	1
Asian Paints	—	✓	1	1
Dabur	—	✓	1	1
Bata	—	✓	1	1
Rayban	—	✓	1	1
Colgate	—	✓	1	1
Total		10	10	10

Data tabulated in above table unveils the aspect of share application amount pending of FMCG firms. Not a single firm has pending amount more than 1 cr. So the, Corporate governance Index is 100%.

(VI)

Table 5.2.5.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	10
IT	10	10
Pharma & Health Care	10	10
Banking & FS	10	10
FMCG	10	10
Total	50	50

$$\begin{aligned}\text{Corporate governance Index} &= \frac{50}{50} \times 100 \\ &= 100\%\end{aligned}$$

Through comparative analysis researcher has found that the disclosure is efficiently disclosed as index reflects 100% of corporate governance Index.

VI Disclosure about written off amount more than 5%

This is important disclosure as it reflects that whether company has written off amount exceeding 5% of outstanding expenditure Researcher has tabulated the collected data as under by analyzing various annual reports and published financial information.

(I)

Table 5.2.6.1

Disclosure about written off amount of more than 5% of over all top ten companies

Expected Score = 10

Company	Yes	Points	No	Points	Total score of unit
Reliance	–	-	✓	1	1
Wipro	–	-	✓	1	1
Infosys	✓	1	–	-	1
Bharti enterprise	–	-	✓	1	1
HDFC	–	-	✓	1	1
Dr Reddy's Lab	–	-	✓	1	1
Ranbaxy	–	-	✓	1	1
ITC	–	-	✓	1	1
ICICI	✓	1	–	-	1
HLL	–	-	✓	1	1
Total	2	2	8	8	10

About tabulated data reveals the picture of overall top ten companies. The companies like ICICI bank infosys have written off more than 5% of expenditure in last financial year and other firms like Reliance, Wipro, Bharti enterprise, HDFC, Dr. Reddy's lab, Ranbaxy, ITC and HLL have not written off more than 5% of outstanding expenditure. The disclosure is complete. Hence Index is 100%.

(II)

Table 5.2.6.2

Disclosure about written off amount of more than 5% of IT companies

Expected Score = 10

Company	Yes	No	Points	Total score of unit
InfoTech	–	✓	1	1
Patni	–	✓	1	1
NIIT	–	✓	1	1
Mastek	–	✓	1	1
Mrotek	–	✓	1	1
Zensar	–	✓	1	1
Sonata	–	✓	1	1
Javelin	–	✓	1	1
Tata InfoTech	–	✓	1	1
HCL	–	✓	1	1
Total	-	10	10	10

CG Index 100%

The above data reveals that IT companies have disclosed completely in written off amt. More than 5% aspect. Thus the disclosure score is 0 and expected score is 10.

(III)**Table 5.2.6.3**

Disclosure about written off amount of more than 5% of Pharma and Health care companies

Expected Score = 10

Company	Yes	No	Points	Total score of unit
Novartis	–	✓	1	1
Cipla	–	✓	1	1
Cadila	–	✓	1	1
Merck	–	✓	1	1
Pharmacia	–	✓	1	1
Biocon	–	✓	1	1
Glaxo Smith Kline	–	✓	1	1
Lupin	–	✓	1	1
Pfizer	–	✓	1	1
Avents	–	✓	1	1
Total	–	10	10	10

CG Index 100%

Data tabulated above reveals that out of 10 Pharma companies not a single company has written off more than 5% expenditure from its outstanding expenditure.

(IV)

Table 5.2.6.4

Disclosure about written off amount of more than 5% of Banking and financial service sector companies

Expected Score = 10

Company	Yes	No	Points	Total score of unit
Corporation Bank	–	✓	1	1
Uco Bank	–	✓	1	1
Karur Vysya Bank	–	✓	1	1
Kotak Mahindra Bank	–	✓	1	1
Allahbad Bank	–	✓	1	1
Bank of Maharashtra	–	✓	1	1
Karnataka Bank	–	✓	1	1
Reliance Capital	–	✓	1	1
Global Trust Bank	–	✓	1	1
Bank of Punjab	–	✓	1	1
Total		10	10	10

CG Index 100%

Above tabulated data reflects that not a Single Banking Unit has written off amount more than 5% out of its outstanding expenditures so actual score is 10 and expected score is 10.

(V)

Table 5.2.6.5

Disclosure about written off amount of more than 5% of over FMCG companies

Expected Score = 10

Company	Yes	No	Points	Total score of unit
Nevneet	–	✓	1	1
Titan	–	✓	1	1
Nirma	–	✓	1	1
Nestle	–	✓	1	1
Britannia	–	✓	1	1
ASIAN PAINTS small seal	–	✓	1	1
Dabur	–	✓	1	1
Bata	–	✓	1	1
Rayban	–	✓	1	1
Colgate	–	✓	1	1
Total		10	10	10

CG Index 100%

Data tabulated above of FMCG firm reveals that not a single company has written off amount more than 5% of outstanding expenditure. Thus the score of data is 10 and expected score is 10.

(VI)

Table 5.2.6.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	10
IT	10	10
Pharma & Health Care	10	10
Banking & Finance	10	10
FMCG	10	10
Total	50	50

$$\begin{aligned}\text{Corporate governance Index} &= \frac{50}{50} \times 100 \\ &= 100\%.\end{aligned}$$

Researcher has Evaluated disclosure efficiency among sampled group and found that disclosure is efficiently disclosed about written off amount more than 5% of outstanding amount.

VII Disclosure about auditing the account of subsidiaries

This disclosure is related with corporate governance norms. If company's account is auditing account of subsidiaries than data should be disclosed.

Below tabulated data are of sampled group companies.

(I)

Table 5.2.7.1

Disclosure about auditing of the accounts of the subsidiaries of over all top ten companies

Expected Score = 10

Company	Yes	Points	No	Total score of unit
Reliance	✓	1	–	1
Wipro	✓	1	–	1
Infosys	✓	1	–	1
Bharti enterprise	✓	1	–	1
HDFC	✓	1	–	1
Dr Reddy	✓	1	–	1
Ranbaxy	✓	1	–	1
ITC	✓	1	–	1
ICICI	✓	1	–	1
HLL	✓	1	–	1
Total	10	10	–	10

CG Index 100%

Above table reveals that out of 10 overall top ten companies all ten companies have mentioned and disclosure the information regarding account audited of subsidiaries the obtained score by this group is 10 and Expected score is 10. Disclosure is efficiently disclosed

(II)

Table 5.2.7.2

Disclosure about auditing of the accounts of the subsidiaries of IT companies

Expected Score = 10

Company	Yes	Points	No	Points	Total score of unit
InfoTech	✓	1	–	–	1
Patni	✓	1	–	–	1
NIIT	✓	1	–	–	1
Mastek	✓	1	–	–	1
Mrotek	–	–	✓	1	1
Zensar	–	–	✓	1	1
Sonata	–	–	✓	1	1
Javelin	–	–	✓	1	1
Tata InfoTech	✓	1	–	–	1
HCL	✓	1	–	–	1
Total	6	6	4	4	10

CG Index 100%

Above data of IT companies reveals that out of 10 companies 6 companies are auditing the accounts of subsidiaries companies by auditors, while other 4 companies do not audit account of subsidiaries by their auditors.

(III)**Table 5.2.7.3**

Disclosure about auditing of the accounts of the subsidiaries of Pharma and Health care companies.

Expected Score = 10

Company	Yes	Points	No	Points	Total score of unit
Novartis	✓	1	–	–	1
Cipla	✓	1	–	–	1
Cadila	✓	1	–	–	1
Merck	✓	1	–	–	1
Pharmacia	✓	1	–	–	1
Biocon	✓	1	–	–	1
Glaxo Smith Kline	–	–	✓	1	1
Lupin	✓	1	–	–	1
Pfizer	✓	1	–	–	1
Avents	✓	1	–	–	1
Total	9	9	1	1	10

Above data mentioned reveals that out of 10 companies like Novartis, Cipla, Cadila, Merck, Biocon, Pharmacia, Lupin, Pfizer and Avents have disclosure in favour of the aspect that they also audit accounts of subsidiaries by their auditors while Glaxo Smith Kline does not have infavour of the aspect that means its auditor do not audit accounts of subsidiaries.

The disclosure is complete Hence corporate governance Index is 100%.

(IV)

Table 5.2.7.4

Disclosure about auditing of the accounts of the subsidiaries of
Banking and financial service sector companies

Expected score = 10

Company	Yes	Points	No	Points	Total score of unit
Corporation Bank	–	–	✓	1	1
Uco Bank	–	–	✓	1	1
Karur Vysya Bank	–	–	✓	1	1
Kotak Mahindra Bank	–	–	✓	1	1
Allahbad Bank	–	–	✓	1	1
Bank of Maharastra	–	–	✓	1	1
Karnataka Bank	–	–	✓	1	1
Reliance Capital	✓	1	–	–	1
Global Trust Bank	–	–	✓	1	1
Bank of Punjab	–	–	✓	1	1
Total	1	1	9	9	10

CG Index is 100%

The above data reveals that the out 10 firms all the firms have disclosed the disclosure related account of subsidiaries are auditors of company or not Disclosure score is 10 and Expected score of disclosure is 10.

(V)

Table 5.2.7.5

Disclosure about auditing of the accounts of the subsidiaries of FMCG companies

Expected Score = 10

Company	Yes	Points	No	Total score of unit
Nevneet	NM	-	NM	0
Titan	NM	-	NM	0
Nirma	✓	1	-	1
Nestle	✓	1	-	1
Britannia	✓	1	-	1
Asian Paints	✓	1	-	1
Dabur	✓	1	-	1
Bata	NM	-	NM	0
Rayban	NM	-	NM	0
Colgate	NM	-	NM	0
Total	5	5		5

The tabulated data of above-mentioned FMCG firm reveals that out of 10 firms five companies have disclosed the aspect of auditing of accounts of subsidiaries while the companies like Navneet, Titan, Bata, Rayban and Colgate have not disclosed the information.

Thus corporate governance disclosure index is 50% of total disclosure.

After individual group Evaluation, Researcher has made an attempt for comparison among sampled group.

(VI)

Table 5.2.7.6

Comparative Analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	10
IT	10	10
Pharma & Health Care	10	10
Banking & Finance	10	10
FMCG	10	5
Total	50	45

$$\begin{aligned}\text{Corporate governance disclosure} &= \frac{45}{50} \times 100 \\ &= 90\%\end{aligned}$$

Corporate analysis of disclosure reveals that the disclosure is disclosed in efficient manner, as score index is 90%.

VIII Disclosure about amount of unclaimed dividend

Every year company shares its profit with its share holders inform of dividend. But some shareholders might not claim some dividend. So as per corporate governance norms, out of total dividend company in front of shareholders should disclose how much dividend is unclaimed.

(I)

Table 5.2.8.1

Disclosure about amount of unclaimed dividend of over all top ten companies

Expected Score = 10

Company	Less than 5%	5-10%	More than 10%	Total score
Reliance	NM	NM	NM	0
Wipro	✓	–	–	1
Infosys	✓	–	–	1
Bharti enterprise	NM	NM	NM	0
HDFC	✓	–	–	1
Dr Reddy	✓	–	–	1
Ranbaxy	✓	–	–	1
ITC	–	✓	–	1
ICICI	✓	–	–	1
HLL	✓	–	–	1
Total	7	1	–	8

$$\begin{aligned}\text{Thus corporate governance} &= \frac{8}{10} \times 100 \\ &= 80\%.\end{aligned}$$

Out of overall top ten companies 2 companies have not of disclosed about unclaimed dividend while 8 firms have disclosed this information.

(II)

Table 5.2.8.2

Disclosure about amount of unclaimed dividend top IT companies

Expected Score = 10

Company	Less than 5%	5-10%	More than 10%	Total score
InfoTech	✓	-	-	1
Patni	NM	NM	NM	0
NIIT	✓	-	-	1
Mastek	✓	-	-	1
Mrotek	✓	-	-	1
Zensar	✓	-	-	1
Sonata	✓	-	-	1
Javelin	NM	NM	NM	0
Tata InfoTech	✓	-	-	1
HCL	✓	-	-	1
Total	8	-	-	8

As the data mentioned in above table reveals the information of IT companies. This information is related with the disclosure of unclaimed dividend But the Patni and Javelin have not disclosed this disclosure. Hence out of expected 10 points this group has gained 8 points. Thus,

$$\begin{aligned}\text{Corporate governance Index} &= \frac{8}{10} \times 100 \\ &= 80\%.\end{aligned}$$

(III)**Table 5.2.8.3**

Disclosure about amount of unclaimed dividend of Pharma and health care companies

Expected Score = 10

Company	Less than 5%	5-10%	More than 10%	Total score
Novartis	✓	-	-	1
Cipla	✓	-	-	1
Cadila	✓	-	-	1
Merck	✓	-	-	1
Pharmacia	✓	-	-	1
Biocon	✓	-	-	1
Glaxo Smith Kline	✓	-	-	1
Lupin	✓	-	-	1
Pfizer	✓	-	-	1
Avents	✓	-	-	1
Total	10	-	-	10

As the data mentioned in above table reveals the information of Pharma and health care companies the disclosure score is 10 against Expected score 10. Thus, corporate governance Index is 100%.

(IV)

Table 5.2.8.4

Disclosure about amount of unclaimed dividend of Banking and Financial service sector companies

Expected Score = 10

Company	Less than 5%	5-10%	More than 10%	Total score
Corporation Bank	NM	NM	NM	0
Uco Bank	NM	NM	NM	0
Karur Vysya Bank	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	0
Bank of Maharashtra	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	0
Reliance Capital	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	0
Total	–	–	–	0

As the data mentioned in above table reveals that out 10 Banking firms not a single company has disclosed the disclosure of unclaimed dividend in their Annual report. Thus corporate governance index is 0.

(V)

Table 5.2.8.5

Disclosure about amount of unclaimed dividend of FMCG companies

Expected Score = 10

Company	Less than 5%	5-10%	More than 10%	Total score
Nevneet	NM	NM	NM	0
Titan	✓	–	–	1
Nirma	✓	–	–	1
Nestle	NM	NM	NM	0
Britannia	NM	NM	NM	0
Asian Paints	✓	–	–	1
Dabur	✓	–	–	1
Bata	✓	–	–	1
Rayban	NM	NM	NM	0
Colgate	✓	–	–	1
Total	6	–	–	6

As the data mentioned in the above table reveals that the companies belong to FMCG group has disclosed about unclaimed dividend disclosure. But Narneet, Nestle, Britannia and Raybon have not mentioned this disclosed.

(VI)

Table 5.2.8.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	8
IT	10	8
Pharma& Health Care	10	10
Banking & Financial	10	0
Service	10	6
FMCG		
Total	50	32

$$\begin{aligned}\text{Corporate governance Index} &= \frac{32}{50} \times 100 \\ &= 64\%.\end{aligned}$$

Through comparative analysis Researcher has found that disclosure of unclaimed dividend is moderately disclosed and score index is 64%.

IX Disclosure about Research expenditure

This is important disclosure As per corporate governance norms every company if spending. As amount behind research, than it should be disclosed in its annual report.

Research expenditures are significant expenditures. If company undertakes research, it should be for betterment of customers and their satisfaction.

Researcher has collected data of sampled group and tabulated as under.

(I)

Table 5.2.9.1

Disclosure about researcher expenditure of over all ten companies

Expected Score = 10

Company	>Than 5%	5-10%	11-20%	More than 20%	Total score
Reliance	—	✓	—	—	1
Wipro	—	✓	—	—	1
Infosys	✓	—	—	—	1
Bharti enterprise	NM	NM	NM	NM	0
HDFC	NM	NM	NM	NM	0
Dr Reddy	—	✓	—	—	1
Ranbaxy	✓	—	—	—	1
ITC	—	—	✓	—	1
ICICI	—	—	✓	—	1
HLL	—	—	—	✓	1
Total	2	3	2	1	8

As the data mentioned in above table reveals that out of overran top ten companies & companies have not disclosed the information while 8 firms have disclosed about research expenditure

$$\begin{aligned}\text{Hence, the corporate governance Index} &= \frac{8}{10} \times 100 \\ &= 80\%.\end{aligned}$$

(II)

Table 5.2.9.2

Disclosure about research expenditure of all IT companies

Expected Score = 10

Company	>Than 5%	5-10%	11-20%	More than 20%	Total score
InfoTech	✓	—	—	—	1
Patni	✓	—	—	—	1
NIIT	✓	—	—	—	1
Mastek	✓	—	—	—	1
Mrotek	✓	—	—	—	1
Zensar	NM	NM	NM	NM	0
Sonata	✓	—	—	—	1
Javelin	✓	—	—	—	1
Tata InfoTech	NM	NM			0
HCL	✓	—	—	—	1
Total	8	—	—	—	8

Data tabulated in above table reveals that the companies like InfoTech, Patani, NIIT, Mastek, Mrotek, Sonata, Javelin, and HCL have disclosed the disclosure of research expenditure while the companies like Zenser and Tata InfoTech have not mentioned the disclosure. Hence obtained score is and expected score is 10. And,

$$\begin{aligned}\text{Corporate governance Index} &= \frac{8}{10} \times 100 \\ &= 80\%\end{aligned}$$

(III)**Table 5.2.9.3**

Disclosure about research expenditure of all Pharma and health care companies

Expected Score = 10

Company	>Than 5%	5-10%	11-20%	More than 20%	Total score
Novartis	✓	-	-	-	1
Cipla	✓	-	-	-	1
Cadila	-	✓	-	-	1
Merck	✓	-	-	-	1
Pharmacia	✓	-	-	-	1
Biocon	-	✓	-	-	1
Glaxo Smith Kline	NM	NM	NM	NM	0
Lupin	-	-	-	✓	1
Pfizer	NM	NM	NM	NM	0
Avents	-	✓	-	-	1
Total	4	3	-	1	8

Above tabulated data of pharmacy and Health care companies reveals that 2 companies have not mentioned the data of research expenditure while 8 companies have mentioned the information. Thus, corporate governance Index is 80%.

(IV)

Table 5.9.4

Disclosure about research expenditure of Banking and financial service companies

Expected Score = 10

Company	>Than 5%	5-10%	11-20%	More than 20%	Total score
Corporation Bank	NM	NM	NM	NM	0
Uco Bank	NM	NM	NM	NM	0
Karur Vysya Bank	NM	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	NM	0
Bank of Maharashtra	NM	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	NM	0
Total	—	—	—	—	0

Above tabulated data of top banking and financial service units about research expenditure aspect reveals that not a single unit has disclosed this information. Hence the corporate governance index is Nil.

(V)

Table 5.2.9.5

Disclosure about research expenditure of FMCG companies

Expected Score = 10

Company	>Than 5%	5-10%	11-20%	More than 20%	Total score
Nevneet	NM	NM	NM	NM	0
Titan	NM	NM	NM	NM	0
Nirma	NM	NM	NM	NM	0
Nestle	-	-	✓	-	1
Britannia	-	-	✓	-	1
Asian Paints	NM	NM	NM	NM	0
Dabur	NM	NM	NM	NM	0
Bata	NM	NM	NM	NM	0
Rayban	NM	NM	NM	NM	0
Colgate	-	✓	-	-	1
Total	-	1	2	-	3

As the data mentioned in above table reveals that out of 10 companies of FMCG group 3 companies like Nestle, Britannia, and Colgate have disclosed the disclosure while other units have not disclosed the information. Thus,

$$\begin{aligned}\text{Corporate governance Index} &= \frac{3}{10} \times 100 \\ &= 30\%.\end{aligned}$$

(VI)

Table 5.2.9.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	8
IT	10	8
Pharma& Health Care	10	8
Banking & Financial Service	10	0
FMCG	10	3
Total	50	27

$$\begin{aligned}\text{Corporate governance index} &= \frac{27}{50} \times 100 \\ &= 54\%.\end{aligned}$$

As comparative analysis reflects the score index is 54% and disclosure is of the sampled group least discloses research expenditure.

X Disclosure about financial parameter

The disclosure related to the financial parameter used by company is related with the aspect of financial efficiency. To measure the financial performance, which type of parameter company uses is studied under this aspect Researcher has tabulated collected data related to this disclosure as under.

(I)

Table 5.2.10.1

Disclosure about financial parameter used by over all top ten companies

Expected Score = 10

Company	Economic value added	Cash value added	Any other method	Total score of unit
Reliance	NM	NM	NM	0
Wipro	NM	NM	NM	0
Infosys	✓	-	-	1
Bharti enterprise	NM	NM	NM	0
HDFC	NM	NM	NM	0
Dr Reddy	NM	NM	NM	0
Ranbaxy	NM	NM	NM	0
ITC	NM	NM	NM	0
ICICI	NM	NM	NM	0
HLL	✓	-	-	1
Total	2	-	-	2

As the data mentioned in above table reveals that out of overall top ten companies only two companies have disclosed about financial parameter disclosure.

This disclosure has 2 score against Expected 10 score

$$\begin{aligned}\text{Thus, corporate governance Index} &= \frac{2}{10} \times 100 \\ &= 20\%.\end{aligned}$$

(II)

Table 5.2.10.2

Disclosure about financial parameter used by IT companies

Expected Score = 10

Company	Economic value added	Cash value added	Any other method	Total score of unit
InfoTech	NM	NM	NM	0
Patni	NM	NM	NM	0
NIIT	NM	NM	NM	0
Mastek	✓	-	-	1
Mrotek	NM	NM	NM	0
Zensar	NM	NM	NM	0
Sonata	NM	NM	NM	0
Javelin	NM	NM	NM	0
Tata InfoTech	NM	NM	NM	0
HCL	NM	NM	NM	0
Total	1	-	-	1

Data tabulated in above table of sampled 10 IT firm's reveals that Mastek Company has disclosed about financial parameter disclosure. Other firm's like InfoTech, Patni, NIIT, Mrotek, Zensar, Sonata, Javelin and InfoTech have not disclosed the disclosure. Thus corporate governance Index 10% only.

(III)**Table 5.2.10.3**

Disclosure about financial parameter used by Pharma and health care companies

Expected Score = 10

Company	Economic value added	Cash value added	Any other method	Total score of unit
Novartis	NM	NM	NM	0
Cipla	NM	NM	NM	0
Cadila	✓	-	-	1
Merck	NM	NM	NM	0
Pharmacia	NM	NM	NM	0
Biocon	NM	NM	NM	0
Glaxo Smith Kline	✓	-	-	1
Lupin	NM	NM	NM	0
Pfizer	NM	NM	NM	0
Avents	NM	NM	NM	0
Total	2	-	-	2

Above Tabulated data reveals the information of Pharmacy firms out of 10 companies only two firms have disclosed about financial parameters used by them and 8 companies have not disclosed the disclosure the disclosure score is 2 Hence,

$$\begin{aligned}
 \text{Corporate governance Index} &= \frac{2}{10} \times 100 \\
 &= 20\%
 \end{aligned}$$

(IV)

Table 5.2.10.4

Disclosure about financial parameter used by Banking and Financial service sector companies.

Expected Score = 10

Company	Economic value added	Cash value added	Any other method	Total score of unit
Corporation Bank	NM	NM	NM	0
Uco Bank	NM	NM	NM	0
Karur Vysya Bank	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	0
Bank of Maharashtra	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	0
Reliance Capital	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	0
Total	–	–	–	0

Data tabulated above reveals that not a single firm of banking and financial service units have disclosed the disclosure. Hence, the corporate governance disclosure index is zero.

(V)

Table 5.2.10.5

Disclosure about financial parameter used by FMCG companies

Expected Score = 10

Company	Economic value added	Cash value added	Any other method	Total score of unit
Nevneet	NM	NM	NM	0
Titan	NM	NM	NM	0
Nirma	NM	NM	NM	0
Nestle	NM	NM	NM	0
Britannia	NM	NM	NM	0
Asian Paints	NM	NM	NM	0
Dabur	NM	NM	NM	0
Bata	✓	-	-	1
Rayban	NM	NM	NM	0
Colgate	NM	NM	NM	0
Total	1	-	-	1

As the data mentioned in above table reveals that only one company out of 10 companies of FMCG sector has disclosed the disclosure of financial parameters. While other 9 companies have not disclosed the information Thus,

$$\begin{aligned}\text{Corporate governance Index} &= \frac{1}{10} \times 100 \\ &= 10\%\end{aligned}$$

Researcher has made an attempt to evaluate disclosure among sampled group.

(VI)

Table 5.2.10.6

Comparative Analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	2
IT	10	1
Pharma& Health Care	10	2
Banking & Financial Service	10	0
FMCG	10	1
Total	50	6

$$\begin{aligned}\text{Corporate governance Index} &= \frac{6}{50} \times 100 \\ &= 12\%\end{aligned}$$

Through comparative analysis of disclosure researcher has found that the disclosure is Least disclosed among sampled group.

XI Disclosure about value of share of worth Rs. 1 lakhs

The disclosure is related with financial aspect of company. Every shareholder is interested in knowing the financial value of shares. That is why this disclosure is important disclosure. So with this regard, researcher has analyzed various annual reports and check this parameter that whether this aspect of value of Rs. 1 lakh share after all adjustments is disclosed or not.

Researcher has collected data in this reference and tabulated as under.

(I)

Table 5.2.11.1

Disclosure about investment value of worth of Rs. 1,00,000 after all the adjustment of overall top ten companies

Detail	Expected Score = 40									
	Reliance	Wipro	InfoTech	ITC	HDFC	ICICI	Bharti Ent.	Dr. Reddy's Lad	Ranbaxy	HLL
Investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Dates of investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Market price	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Appreciation	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total score	0	0	0	0	0	0	0	0	0	00

The data tabulated in above table reveals that the disclosure is poorly disclosed by overall top ten companies. As the disclosure score is zero, corporate governance index is 0.

(II)

Table 5.2.11.2

Disclosure about investment value of worth Rs. 1,00,000 after all the adjustment of it companies

Detail	InfoTech	Patni	NIIT	Mastek	Zenser	HCL	Sonata	Mrotek	Javelin	Expected Score = 40	
										Tata	Infotech
Investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Dates of investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Market price	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Appreciation	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total score	0	0	0	0	0	0	0	0	0	00	00

Data tabulated in above table reveals that the companies belong to IT category have not disclosed the information and the disclosure is poorly disclosed. Thus corporate governance index is zero.

(III)

Table 5.2.11.3

Disclosure about investment value of worth of Rs. 1,00,000 after all the adjustment of Pharmaand Health care companies

Detail	Expected Score = 40									
	Novartis	Cipla	Biocon	Cadila	Merck	Pharmacia	Galaxo	Lupin	Pfizer	Aventis
Investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Dates of investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Market price	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Appreciation	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total score	0	0	0	0	0	0	0	0	0	00

As the data tabulated in above table reveals the information of Pharmaand Health care companies reflects that not a single firm has disclosed the disclosure of shares value. Hence the corporate governance index is zero.

(IV)

Table 5.11.4

Disclosure about investment value of worth of Rs. 1,00,000 after all the adjustment of banking and Financial service units.

Expected Score = 40										
Detail	Crop Bank	Uco Bank	Karur Vysys Bank	KMB	BOM	Allahabad Bank	Karnataka Bank	Reliance Capital	Global Trust Bank	Bank of panjab
Investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Dates of investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Market price	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Appreciation	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total score	0	0	0	0	0	0	0	0	0	00

As the data tabulated in the above table reveals the information about Banking units reflects that not a single firm has disclosed the disclosure about investment value of shares of 1,00,000 after all adjustments. Thus, corporate governance index is zero.

(V)

Table 5.11.5

Disclosure about investment value of worth of Rs. 1,00,000 after all the adjustment of FMCG companies

Detail	Expected Score = 40									
	Navneet	Titan	Britannia	Nirma	Asian paints	Dabur	Nestle	Bata	Rayban	colgate
Investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Dates of investment	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Market price	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Appreciation	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total score	0	0	0	0	0	0	0	0	0	00

As the data mentioned in above table reveals that not a single company has disclosed the information about value of investment and hence corporate governance disclosure index is zero.

(VI)

Table 5.2.11.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	40	0
IT	40	0
Pharma& Health Care	40	0
Banking & Financial Service	40	0
FMCG	40	0
Total	200	0

$$\begin{aligned}\text{Corporate governance Index} &= \frac{0}{200} \times 100 \\ &= 0\end{aligned}$$

Researcher has made an attempt to evaluate the disclosure and found that the disclosure is least disclosed as score index has zero Index.

XII Disclosure about financial details

The disclosure is related with different financial aspects like capital employed paid up capital, Net worth, Gross Profit, tax paid, Earning per share, Book value, Net profit, Market price and P/E ratio. The disclosure of different group is as under.

(I)

Table 5.2.12.1

Disclosure about financial detail of top ten best companies

Expected Score = 100

Company	Paid up capital	Points	Cap Employed	Points	Net worth	Points	Gross profit	Points	Tax paid	Points	EPS (RS)	Points	Book Value (RS)	Points	Net Profit	Points	Mark et Price (Rs)	Points	P/E Ratio	Points	Total score
Reliance	1,396	1	2,256	1	30,327	1	66,063	1	13,210	1	29.4	1	217.2	1	4,104	1	505	1	NM	0	9
Wipro	1,000 (apx)	1	2,000	1	16,262	1	15,673	1	172	1	36.66	1	211	1	8,477	1	1,309	1	NM	0	9
Infosys	33.12	1	49.00	1	196	1	1809.39	1	201	1	143	1	431.84	1	958	1	4,399	1	NM	0	9
Bharti enterprise	166.2	1	199.0	1	215	1	1371	1	22	1	21	1	20	1	684	1	210	1	NM	0	9
HDFC	24.41	1	26.30	1	315	1	297.62	1	16.07	1	27.96	1	125	1	69.03	1	352	1	NM	0	9
Dr Reddy	96.25	1	102	1	315	1	2021	1	21.45	1	19.68	1	NM	0	1206.10	1	131.40	1	NM	0	8
Ranbaxy	1.85	1	4.82	1	20	1	72.9	1	0.525	1	.001	1	NM	0	2.217	1	26.10	1	NM	0	8
ITC	382.57	1	1835.56	1	NM	0	1.231	1	1.1223	1	51.24	1	5	1	.3532	1	923	1	NM	0	8
ICICI	143	1	296	1	1,012	1	879.60	1	195	1	30.07	1	100.36	1	647.08	1	611	1	NM	0	9
HLL	220.12	1	3843.03	1	4,167	1	11096	1	427	1	8.05	1			1771.11	1	-	1	NM	0	9
Total		10		10		9		10		10		10		8		10		10		0	87

Above tabulated data of overall top ten companies reveals that out of total 100 score companies have secured 87% of disclosure index. Hence the disclosure is, corporate index = $\frac{87}{100} \times 100 = 87\%$.

(II)

Table 5.2.12.2

Disclosure about financial detail of IT companies

Expected Score = 100

(Rs. In crore)

Company	Paid up capital	Points	Cap Employ ed	Points	N.W.	Points	Gross profit	Points	Tax paid	Points	EPS (RS)	Points	Book Value (RS)	Points	Net Profit	Points	Market Price (Rs)	Points	P/E Ratio	Points	Total score
InfoTech	14.260	1	14.470	1	30,327	1	46.86	1	0.44	1	18.47	1	NM	1	2.94	1	139.80	1	NM	0	9
Patni	14.8561	1	696.994	1	16,262	1	448.2148	1	26.8301	1	16.48	1	20	1	164.1474	1	5747	1	NM	0	9
NIIT	3.8649	1	7.5508	1	196	1	76.90	1	9.80	1	57.99	1	160	1	2.241	1	1425	1	NM	0	9
Mastek	7.0570	1	15.546	1	215	1	37.205	1	1.7787	1	35	1	109.5	1	94.3396	1	435	1	NM	0	9
Zensar	23.2881	1	80.95	1	315	1	4.07	1	2.8	1	7.42	1	47.86	1	8.15	1	102	1	NM	0	9
HCL	57.68	1	2299.6	1	315	1	22536	1	0.70	1	8.60	1	10	1	312.47	1	156	1	NM	0	9
Sonata	6.0077	1	96.29	1	20	1	8.455	1	0.3618	1	2.04	1	10	1	1.5578	1	15	1	NM	0	9
Mrotek	10.2150	1	80.299	1	30	1	96.528	1	1.40	1	1.59	1	10	1	3.243	1	14.7	1	NM	0	9
Javelin	0.4617	1	0.6617	1	1,012	1	0.0926	1	0.0026	1	0.50	1	10	1	0.0301	1	4.66	1	NM	0	9
Tata InfoTech	19.00	1	172.23	1	4,167	1	4.837	1	0.076	1	11.15	1	15	1	0.2050	1	131.80	1	NM	0	9
Total		10		10		10		10		10		10		10		10		10		-	90

Data tabulated in above table reveals the picture of IT companies out of 100 score companies have gained 90 score.

Thus, corporate governance Index = $\frac{90}{100} \times 100 = 90\%$

(III)

Table 5.2.12.3

Disclosure about financial detail of pharma and health care companies

Expected Score = 100

(Rs. In crore)

Company	Paid up capital	Points	Cap Employed	Points	Net Wroth	Points	Gross profit	Points	Tax paid	Points	EPS (RS)	Points	Book Value (RS)	Points	Net Profit	Points	Market Price (Rs)	Points	P/E Ratio	Points	Total score
Novartis	15.98	1	243.577	1	NM	0	51.3.8	1	0.29	1	19.40	1	5	1	41.99	1	234	1	NM	0	8
Cipla	593.97	1	114686.2	1	16700.7	1	340.8	1	64.75	1	34.62	1	NM	0	247.744	1	1087	1	NM	0	8
Biocon	1.83	1	50.00	1	71.12	1	64.63	1	7.56	1	5	1	NM	0	35.87	1	NM	0	NM	0	7
Cadila	29.8	1	442.9	1	493.0	1	120.82	1	20.5	1	12.20	1	69.90	1	109.3	1	491	1	NM	0	9
Merck	16.86	1	196.2	1	NM	0	396.20	1	19.48	1	23.7	1	460	1	362.4	1	116.4	1	NM	0	8
Pharmacia	2.61	1	253.86	1	NM	0	3.042	1	(10.28)	1	(22.43)	1	NM	0	NM	0	177.40	1	NM	0	6
Glaxo	45.38	1	492	1	32.99	1	9.1375	1	30.70	1	16.82	1	108.40	1	.7635	1	2.67	1	NM	0	9
Lupin	40.14	1	1059	1	4.96	1	158.44	1	23.99	1	18.08	1	95.26	1	73.67	1	125	1	NM	0	9
Pfizer	23.4	1	1698	1	11.95	1	36.20	1	2.953	1	20.26	1	72.48	1	4.749	1	462	1	NM	0	9
Aventis	23	1	351.7	1	181.6	1	145.3	1	47.8	1	45.41	1	NM	0	98.5	1	696	1	NM	0	8
Total		10		10				10		10				6		9					81

Disclosure about financial aspect of pharmacy companies reveals that the disclosure has scored 81 points and Corporate

$$\text{Governance Index} = \frac{81}{100} \times 100 = 81\%$$

(IV)

Table 5.2.12.4

Disclosure about financial detail of banking units.

Expected Score = 100

(Rs. In crore)

Company	Paid up capital	Points	Cap Employed	Points	Net Wroth	Points	Gross profit	Points	Tax paid	Points	EPS (RS)	Points	Book Value (RS)	Points	Net Profit	Points	Market Price (Rs)	Points	P/E Ratio	Points	Total score
Corporation Bank	14.34	1	29.15	1	NM	0	90.70	1	26.73	1	60	1	193.02	1	50.41	1	280	1	NM	0	8
Uco Bank	79.90	1	437.90	1	NM	0	62.40	1	NM	0	17.06	1	NM	0	4.35	1	23.50	1	NM	0	6
KarurVysya Bank	16.40	1	6178	1	5586	1	1974	1	485	1	156	1	310	1	1249	1	197	1	NM	0	9
Kotak Mahindra Bank	59.53	1	9810	1	NM	0	116	1	140	1	29.35	1	207	1	174	1	410	1	NM	0	8
Allahbad Bank	33.05	1	24904	1	NM	0	520	1	87.38	1	6.38	1	NM	0	222	1	-	1	NM	0	7
Bank of Maharashtra	346.7	1	2805.09	1	NM	0	NM	1	1634	1	5.89	1	NM	0	165.9	1	16.10	1	NM	0	7
Karnataka Bank	40.42	1	9264	1	NM	0	172	1	62.09	1	4.83	1	172.70	1	110	1	61.50	1	NM	0	8
Reliance Capital	127	1	3106	1	NM	0	2.00	1	.30	1	8.06	1	NM	0	1.56	1	54.7	1	NM	0	7
Global Trust Bank	121.35	1	7665	1	NM	0	LOSS	1	NM	0	(.03)	1	NM	0	LOSS	1	17.5	1	NM	0	6
Bank of Punjab	10.50	1	4286	1	NM	0	488.2	1	73.5	1	3.40	1	NM	0	318.4	1	15.45	1	NM	0	7
Total		10		10		1		10		8		10		4		10		10			73

Date tabulated above of banking and financial service sector units reveals that the score of this group is 73 points and

Corporate Governance Index = $\frac{73}{100} \times 100 = 73\%$

(V)

Table 5.2.12.5

Disclosure about financial detail of FMCG companies.

Expected Score = 100

(Rs. In crore)

Company	Paid up capital	Points	Cap Employed	Points	Net Wroth	Points	Gross profit	Points	Tax paid	Points	EPS (RS)	Points	Book Value (RS)	Points	Net Profit	Points	Market Price (Rs)	Points	P/E Ratio	Points	Total score
Nevneet	19.05	1	143.67	1	132.65	1	64.60	1	16.29	1	27.9	1	NM	0	36.93	1	987	1	NM	0	7
Titan	82.27	1	120.05	1	315.82	1	807.49	1	5.34	1	1.84	1	NM	0	11.45	1	60.60	1	NM	0	8
Britannia	259.043	1	545	1	84.71	1	1328	1	147	1	36.89	1	NM	0	14.93	1	541	1	NM	0	9
Nirma	79.38	1	2021	1	524	1	125	1	57.5	1	27.12	1	NM	0	1.86	1	244	1	NM	0	8
Asian Paints	64.2	1	476	1	NM	0	NM	0	88	1	14.8	1	74	1	72	1	399	1	NM	0	7
Dabur	285	1	3164	1	659	1	115	1	8.75	1	3.54	1	NM	0	13.7	1	85	1	NM	0	8
Nestle	96.4	1	334.9	1	405.3	1	2370.7	1	136.1	1	27.29	1	NM	0	263	1	594	1	NM	0	8
Bata	514.221	1	2780	1	NM	0	LOSS	1	LOSS	1	15.02	1	NM	0	LOSS	1	68	1	NM	0	7
Rayban	2447	1	6631.32	1	5051	1	464.14	1	33.71	1	0.92	1	NM	0	224.99	1	68.05	1	NM	0	8
Colgate	2771.6	1	13599	1	8962	1	108.13	1	57.82	1	6.52	1	NM	0	8866	1	130.10	1	NM	0	8
Total		10		10		8		9		10		10		1		10		10			78

Disclosure of FMCG companies reveals that the information is disclosed up to 78% only.

(VI)

Table 5.2.12.6

Comparative Analysis of Disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	100	87
IT	100	90
Pharma& Health Care	100	81
Banking & Financial Service	100	73
FMCG	100	78
Total	500	409

409

$$\begin{aligned}\text{Corporate governance Index} &= \frac{\quad}{500} \times 100 \\ &= 81.8\%\end{aligned}$$

Through comparative analysis researcher has evaluated efficiency of disclosure and have found that disclosure is disclosed in good manner, as score index is more than 75%.

XIII Disclosure about dividend and Bonus Share

Through the disclosure of dividend and Bonus shares, Shareholders as well as stakeholders will come to know about the financial policy of particular company. In this relation researcher has collected the data and tabulated as under.

(I)

Table 5.2.13.1

Disclosure about % of dividend and Bonus share given in last 5 years of overall top ten companies

(Amt in % except mentioned Rs.) D = Dividend B = Bonus shares

Expected Score = 20

Company	2003		2002		2001		2000		1999		Total disclosure
	D	B	D	B	D	B	D	B	D	B	
Reliance	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Wipro	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Infosys	(Rs)29	NM	27	NM	20	NM	10	NM	4.5	NM	1
Bharti enterprise	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
HDFC	13.5	NM	11	NM	NM	NM	NM	NM	NM	-	1
Dr Reddy	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Ranbaxy	980	NM	100	NM	50	NM	75	NM	75	NM	1
ITC	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
ICICI	75	NM	75	NM	NM	NM	NM	NM	NM	NM	1
HLL	5.50	NM	5.50	NM	5	NM	3.5	NM	2.9	NM	1
Total											5

Above mentioned date of overall top ten companies regarding last five years dividend and bonus share distributed by company and obtained score is 5 against expected score of 20 hence,

$$\text{Corporate governance Index} = \frac{5}{20} \times 100 = 25\%$$

(II)

Table 5.2.13.2

Disclosure about % of dividend and Bonus share given in last 5 years of IT companies

(Amt in % except mentioned Rs.) D = Dividend B = Bonus shares. Expected Score = 20

Company	2003		2002		2001		2000		1999		Total disclosure
	D	B	D	B	D	B	D	B	D	B	
InfoTech	12.5	NM	4	NM	NM	NM	NM	NM	NM	NM	1
Patni	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
NIIT	174	NM	100	NM	129	NM	97	NM	90	NM	1
Mastek	1	NM	0.9	NM	1.9	NM	0.2	NM	0.7	NM	1
MROTEK	20	NM	16	NM	NM	NM	NM	NM	NM	NM	0
Zensar	1.5	NM	1.5	NM	1.5	NM	NM	NM	NM	NM	1
Sonata	50	NM	50	NM	35	NM	50	NM	40	NM	1
Javelin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Tata InfoTech	40	NM	60	NM	NM	NM	NM	NM	NM	NM	1
HCL	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Total											6

Above tabulated data of IT companies reveals that the disclosure has 6 points of score while expected score is 20,

$$\text{Corporate governance Index} = \frac{6}{20} \times 100 = 30\%.$$

(III)

Table 5.2.13.3

Disclosure about % of dividend and Bonus share given in last 5 years of Pharmaand health care companies

(Amt in % except mentioned Rs.) D = Dividend B = Bonus shares. Expected Score = 20

Company	2003		2002		2001		2000		1999		Total disclosure
	D	B	D	B	D	B	D	B	D	B	
Novartis	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Cipla	100	NM	70	NM	30	NM	74	NM	60	NM	1
Cadila	0.6	NM	3.5	NM	3.5	NM	3.0	NM	2.52	NM	1
Merck	100	NM	78	NM	100	NM	60	NM	42	NM	1
Pharmacia	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Biocon	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Glaxo Smith Kline	70	NM	70	NM	70	NM	63	NM	57	NM	1
Lupin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Pfizer	80	NM	80	NM	40	NM	80	NM	60	NM	1
Avents	160	NM	160	NM	60	NM	40	NM	45	NM	1
Total											6

Above tabulated data of pharmacy companies reveals the information about dividend and bonus shares

declared by companies in last 5 years. The disclosure score is 6 points and,

$$\text{Corporate governance Index} = \frac{6}{20} \times 100 = 30\%$$

(IV)

Table 5.2.13.4

Disclosure about % of dividend and Bonus share given in last 5 years of Bank companies

(Amt in % except mentioned Rs.) D = Dividend B = Bonus shares. Expected Score = 20

Company	2003		2002		2001		2000		1999		Total disclosure
	D	B	D	B	D	B	D	B	D	B	
Corporation Bank	60	NM	45	NM	40	NM	40	NM	40	NM	1
Uco Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Karur Vysya Bank	70	NM	70	NM	60	NM	60	NM	50	NM	1
Kotak Mahindra Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
Allahbad Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Bank of Maharastra	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Total											2

As data mentioned in above table reveals that the disclosure is poorly disclosed, as the score is 2 points against expected score of 20. Hence,

$$\text{Corporate governance Index} = \frac{2}{20} \times 100 = 10\%$$

(V)

Table 5.2.13.5

Disclosure about % of dividend and Bonus share given in last 5 years of companies

(Amt in % except mentioned Rs.) D = Dividend B = Bonus shares. Expected Score = 20

Company	2003		2002		2001		2000		1999		Total disclosure
	D	B	D	B	D	B	D	B	D	B	
Nevneet	24.162	NM	40.532	NM	27.75	NM	32.53	NM	43.86	NM	1
Titan	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Nirma	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Nestle	Rs. 20	NM	Rs. 18	NM	NM	NM	NM	NM	NM	NM	1
Britannia	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Asian Paints	85	NM	110	NM	90	NM	70	NM	100	NM	1
Dabur	60	NM	1.4	NM	NM	NM	NM	NM	NM	NM	1
Bata	4.78%	NM	NM	NM	NM	NM	NM	NM	NM	NM	1
Rayban	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0
Colgate	42.5	NM	42.5	NM	8.25	NM	3.00	NM	3.00	NM	1
Total											6

As the data tabulated in above table shows that the disclosure of FMCG group regarding last 5 years

dividend and bonus shares declared is poorly disclosed because its score points is 6 and expected points are

20. Thus,

6

$$\text{Corporate governance Index} = \frac{6}{20} \times 100 = 30\%.$$

20

Researcher has evaluated efficiency of disclosure among sampled group companies by comparative analysis.

(VI) **Table 5.2.13.6**

Comparative Analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	20	5
IT	20	6
Pharma& Health Care	20	5
Banking & Financial Service	20	2
FMCG	20	6
Total	100	24

$$\begin{aligned}
 \text{Corporate governance Index} &= \frac{24}{100} \times 100 \\
 &= 24\%
 \end{aligned}$$

Disclosure of dividend and bonus share is poorly disclosed.

XIV Disclosure about Economic value Added

Economic value added is one of the financial parameter, which is important to be disclosed.

(I)

Table 5.2.14.1

Disclosure about Economic Value Added of over all top ten companies

Expected Score = 30

Company	2002-03	2001-02	2000-01	Points
Reliance	NM	NM	NM	0
Wipro	NM	NM	NM	0
Infosys	689 (39%)	454 (38%)	510 (46%)	3
Bharti enterprise	NM	NM	NM	0
HDFC	NM	NM	NM	0
Dr Reddy	NM	NM	NM	0
Ranbaxy	NM	NM	NM	0
ITC	NM	NM	NM	0
ICICI	NM	NM	NM	0
HLL	1429	1236	1080	3
Total				6

Data tabulated in above 6 table reveals the information about Economic Value added of overall top ten companies. And out of 10 companies only 2 companies have disclosed the information

$$\begin{aligned}\text{Thus, the corporate governance} &= \frac{6}{30} \times 100 \\ &= 20\%.\end{aligned}$$

(II)

Table 5.2.14.2

Disclosure about Economic Value Added of IT companies

Expected Score = 30

Company	2002-03	2001-02	2000-01	Points
InfoTech	NM	NM	NM	0
Patni	NM	NM	NM	0
NIIT	NM	NM	NM	0
Mrotek	NM	NM	NM	0
Mastek	344	255	60	3
Zensar	NM	NM	NM	0
Sonata	NM	NM	NM	0
Javelin	NM	NM	NM	0
Tata InfoTech	NM	NM	NM	0
HCL	NM	NM	NM	0
Total				3

Data tabulated in above table of IT companies reveals that out of ten companies only one company has disclosed the data of Economic value added. Hence,

$$\begin{aligned}\text{Corporate governance Index} &= \frac{3}{30} \times 100 \\ &= 10\%.\end{aligned}$$

(III)**Table 5.2.14.3**

Disclosure about Economic Value Added of Pharma and health care companies.

Expected Score = 30

Company	2002-03	2001-02	2000-01	Points
Novartis	NM	NM	NM	0
Cipla	NM	NM	NM	0
Cadila	854	424	-	2
Merck	NM	NM	NM	0
Pharmacia	NM	NM	NM	0
Biocon	NM	NM	NM	0
Glaxo Smith Kline	447	438	396	3
Lupin	NM	NM	NM	0
Pfizer	NM	NM	NM	0
Avents	NM	NM	NM	0
Total				5

Above tabulated data of Pharma and health care companies reveals that Cadila firm has disclosed about EVA information of last 2 years and Glaxo Smith Kline has disclosed EVA information of last 3 years. Other companies have not disclosed the disclosure. Hence,

$$\begin{aligned}
 \text{Corporate governance Index} &= \frac{5}{30} \times 100 \\
 &= 16.67\%.
 \end{aligned}$$

(IV)

Table 5.2.14.4

Disclosure about Economic value Added of Banking and financial service companies.

Expected Score = 30

Company	2002-03	2001-02	2000-01	Points
Corporation Bank	NM	NM	NM	0
Uco Bank	NM	NM	NM	0
Karur Vysya Bank	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	0
Bank of Maharastra	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	0
Reliance Capital	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	0
Total				0

As the data mentioned in above table reveals the information regarding disclosure of banking units regarding EVA information. But not a single company has disclosed the disclosure so corporate governance index is zero.

(V)

Table 5.2.14.5

Disclosure about Economic Value Added of FMCG companies

Expected Score = 30

Company	2002-03	2001-02	2000-01	Points
Nevneet	NM	NM	NM	0
Titan	NM	NM	NM	0
Nirma	NM	NM	NM	0
Nestle	NM	NM	NM	0
Britannia	NM	NM	NM	0
Asian paints	NM	NM	NM	0
Dabur	NM	NM	NM	0
Bata	NM	NM	NM	0
Rayban	NM	NM	NM	0
Colgate	NM	NM	NM	0
Total				0

Tabulated data of FMCG firms reveal that no a single company has disclosed the information about EVA so CG Index is zero.

Researcher has made an attempt to Evaluated disclosure efficiency among sampled group by comparative analysis of disclosure.

(VI)

Table 5.2.14.6

Comparative Analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	30	6
IT	30	3
Pharma& Health Care	30	5
Banking & Financial Service	30	0
FMCG	30	0
Total	150	14

$$\begin{aligned}\text{Corporate governance Index} &= \frac{14}{150} \times 100 \\ &= 9.33\%.\end{aligned}$$

The sampled companies least disclose EVA information as corporate governance index is just.

XV Disclosure about degree of EVA

This is important disclosure through these shareholders will come to know whether EVA is investing, decreasing or steady.

(I)

Table 5.2.15.1

Disclosure about category of Economic value added of over all top ten companies

Expected Score = 10

Company	Declining	Growing	Steady	Total score of unit
Reliance	NM	NM	NM	0
Wipro	NM	NM	NM	0
Infosys	-	✓	-	1
Bharti enterprise	NM	NM	NM	0
HDFC	NM	NM	NM	0
Dr Reddy' Lab	NM	NM	NM	0
Ranbaxy	NM	NM	NM	0
ITC	NM	NM	NM	0
ICICI	NM	NM	NM	0
HLL	-	✓	-	1
Total	-	-	-	2

As the data mentioned in above table reveals that out of overall top ten companies the companies Bharti enterprise and HLL have disclosed about category of EVA

$$\begin{aligned}\text{Hence, Corporate governance Index} &= \frac{2}{10} \times 100 \\ &= 20\%.\end{aligned}$$

(II)

Table 5.2.15.2

Disclosure about category of Economic value added of IT companies

Expected Score = 10

Company	Declining	Growing	Steady	Total score
InfoTech	NM	NM	NM	0
Patni	NM	NM	NM	0
NIIT	NM	NM	NM	0
Mrotek	NM	NM	NM	0
Mastek	✓	-	-	1
Zensar	NM	NM	NM	0
Sonata	NM	NM	NM	0
Javelin	NM	NM	NM	0
Tata InfoTech	NM	NM	NM	0
HCL	NM	NM	NM	0
Total	-	-	-	1

As the data mentioned in above table reveals that the disclosure is very poorly disclosed as only one company has disclosed the information Hence, CG Index is 10%.

(III)**Table 5.2.15.3**

Disclosure about category of Economic value added of Pharma and Health care companies

Expected Score = 10

Company	Declining	Growing	Steady	Total score
Novartis	NM	NM	NM	0
Cipla	NM	NM	NM	0
Cadila	✓	-	-	1
Merck	NM	NM	NM	0
Pharmacia	NM	NM	NM	0
Biocon	NM	NM	NM	0
Glaxo Smith Kline	✓	-	-	1
Lupin	NM	NM	NM	0
Pfizer	NM	NM	NM	0
Avents	NM	NM	NM	0
Total	-	-	-	2

As the data mentioned in above table reveals that out of 10 Pharma and health care companies only two companies have disclosed EVA category. Thus,

$$\begin{aligned}
 \text{CG Index} &= \frac{2}{10} \times 100 \\
 &= 20\%.
 \end{aligned}$$

(IV)

Table 5.2.15.4

Disclosure about category of Economic value added of Banking and financial service companies

Expected Score = 10

Company	Declining	Growing	Steady	Total score
Corporation Bank	NM	NM	NM	0
Uco Bank	NM	NM	NM	0
Karur Vysya Bank	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	0
Bank of Maharashtra	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	0
Reliance Capital	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	0
Total				0

As the data tabulated in above table reveals that not a single company has disclosed the information of category of EVA. Hence, CG Index is zero.

(V)

Table 5.2.15.5

Disclosure about category of Economic value added of top FMCG companies

Expected Score = 10

Company	Declining	Growing	Steady	Total score
Nevneet	NM	NM	NM	0
Titan	NM	NM	NM	0
Nirma	NM	NM	NM	0
Nestle	NM	NM	NM	0
Britannia	NM	NM	NM	0
Asian paints	NM	NM	NM	0
Dabur	NM	NM	NM	0
Bata	✓	-	-	1
Rayban	NM	NM	NM	0
Colgate	NM	NM	NM	0
Total	-	-	-	1

From the above tabulated data it is found that only one firm has mentioned about category of EVA. Hence corporate governance disclosure point is 1 and index is 10%.

(VI)

Table 5.2.15.6

Comparative Analysis of disclosure

Groups	Expected score of disclosure	Actual score of disclosure
Overall Top Ten	10	2
IT	10	1
Pharma& Health Care	10	2
Banking & Financial Service	10	0
FMCG	10	1
Total	50	6

$$\begin{aligned}\text{Corporate governance Index} &= \frac{6}{100} \times 2 \\ &= 12\%.\end{aligned}$$

By doing comparative analysis. Researcher has found that disclosure is very poorly disclosed.

XVI Disclosure About Internal Audit Department

This disclosure is related with the aspect that whether internal audit department is existed in sampled group companies or not.

(I)

Table 5.2.16.1

Disclosure about the existence of the Internal Audi Department of
over all top ten companies

Expected Score = 10

Company	Yes	Points	No	Total score
Reliance	✓	1	—	1
Wipro	✓	1	—	1
Infosys	✓	1	—	1
Bharti enterprise	✓	1	—	1
HDFC	✓	1	—	1
Dr Reddy's Lab	✓	1	—	1
Ranbaxy	✓	1	—	1
ITC	✓	1	—	1
ICICI	✓	1	—	1
HLL	✓	1	—	1
Total	10	10	—	10

The above-mentioned table reveals that all the companies that belong
to overall top ten companies have internal audit department

Thus corporate governance Index is 100%.

(II)

Table 5.2.16.2

Disclosure about existence of the Internal Audit Department of IT companies

Expected Score = 10

Company	Yes	Points	No	Total score
InfoTech	✓	1	—	1
Patni	✓	1	—	1
NIIT	✓	1	—	1
Mastek	✓	1	—	1
Mrotek	✓	1	—	1
Zensar	✓	1	—	1
Sonata	✓	1	—	1
Javelin	✓	1	—	1
Tata InfoTech	✓	1	—	1
HCL	✓	1	—	1
Total	10	10	—	10

As the data mentioned in above table reveals that out of 10 IT companies to all the companies have disclosed about internal audit department disclosure.

$$\begin{aligned}\text{Thus CG Index} &= \frac{10}{10} \times 100 \\ &= 100\%.\end{aligned}$$

(III)**Table 5.2.16.3**

Disclosure about the existence of the Internal Audit Department of
Pharma and health care companies

Expected Score = 10

Company	Yes	Points	No	Total score
Novartis	✓	1	—	1
Cipla	✓	1	—	1
Cadila	✓	1	—	1
Merck	✓	1	—	1
Pharmacia	✓	1	—	1
Biocon	✓	1	—	1
Glaxo Smith Kline	✓	1	—	1
Lupin	✓	1	—	1
Pfizer	✓	1	—	1
Avents	✓	1	—	1
Total	10	10	—	10

As the data mentioned in above table reveals that the companies like Novartis, Cipla, Cadila, Merck, Pharmacia, Biocon, Glaxo Smith Kline, Lupin, Pfizer and Avents have disclosed the information of internal audit department

$$\begin{aligned}
 \text{Corporate governance Index} &= \frac{10}{10} \times 100 \\
 &= 100\%.
 \end{aligned}$$

(IV)

Table 5.2.16.4

Disclosure about the existence of the Internal Audit Department of Banking and financial service companies

Expected Score = 10

Company	Yes	Points	No	Total score
Corporation Bank	✓	1	—	1
Uco Bank	✓	1	—	1
Karur Vysya Bank	✓	1	—	1
Kotak Mahindra Bank	✓	1	—	1
Allahbad Bank	✓	1	—	1
Bank of Maharashtra	✓	1	—	1
Karnataka Bank	✓	1	—	1
Reliance Capital	✓	1	—	1
Global Trust Bank	✓	1	—	1
Bank of Punjab	✓	1	—	1
Total	10	10	—	10

Above data reveals the picture of Banking units and all the units have disclosed the data of internal audit department. Actual score is 10 against Expected score 10.

$$\begin{aligned}\text{So, CG Index} &= \frac{10}{10} \times 100 \\ &= 100\%.\end{aligned}$$

(V)

Table 5.2.16.5

Disclosure about the existence of the Internal Audit Department of FMCG companies

Expected Score = 10

Company	Yes	Points	No	Total score
Nevneet	✓	1	—	1
Titan	✓	1	—	1
Nirma	✓	1	—	1
Nestle	✓	1	—	1
Britannia	✓	1	—	1
Asian paints	✓	1	—	1
Dabur	✓	1	—	1
Bata	✓	1	—	1
Rayban	✓	1	—	1
Colgate	✓	1	—	1
Total	10	10	—	10

Tabulated data of FMCG companies reveals that all the companies have disclosed the disclosure. Thus,

$$\begin{aligned}\text{CG Index} &= \frac{10}{10} \times 100 \\ &= 100\%.\end{aligned}$$

(VI)

Table 5.2.16.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score
Overall Top Ten	10	10
IT	10	10
Pharma& Health Care	10	10
Banking & Financial Service	10	10
FMCG	10	10
Total	50	50

$$\text{Corporate governance Index} = \frac{50}{50} \times 100$$

As corporate governance index reveals that the disclosure is efficiently disclosed.

Analysis Of Parameter Wise Disclosure

Shareholders are the real owners of the company. They are investing money and expecting good return, effective financial management and maximum disclosure of company's affairs. Considering the capital market environment, several types of uncertainties, irregularities and unfair trading practices are prevailing in capital market. In this reference researcher has evaluated total 16 parameters such as investors grievance cell, complaints resolved, time taken in solving the complains, last AGM resolution, pending money in form of the share application money in other company, unclaimed dividend, research expenditures, EVA information, value of shares, financial information, internal audit etc.

Analysis of Table 5.3.1

Above table indicates the information about corporate governance practices in relation to the stakeholders claim satisfaction and financial disclosure. The aspects are taken properly only for 6 basic parameters like investors grievance cell, share application money pending, written off expenditure, financial information of the company an internal audit department by all the 50 companies of 5 different groups. While complaints resolved, unclaimed dividend, technological advancement were less important parameters for all five groups related companies. Unclaimed dividend and research expenditure are least important parameters for the banking group with zero score. Time taken in grievance solution was not properly disclosed in any group. Last AGM complaints, use of financial parameters, value of share information, dividend and bonus, EVA information and category of EVA were totally ignored by the companies.

(I)**Table 5.3.1**

The Score points and respective index of the parameters of the CG disclosure in relation to the Stakeholders claim satisfaction and Financial disclosure

Parameters	Overall top ten	IT	Pharma and healthcare	Banking & financial services	FMCG	Score%	Rank
Existence of the Investors Grievance Cell	10	10	10	10	10	100	A
Complaints Resolved	24	15	21	27	24	74	B
Time taken in grievance solution	8	3	4	5	3	46	C
Last AGM complaints	0	0	0	0	0	0	C
Share Application money pending	10	10	10	10	10	100	A
Out standing money written off	10	10	10	10	10	100	A
Auditors checking the accounts of the subsidiaries	10	10	10	10	5	90	A
Unclaimed dividend	8	10	10	0	6	64	B
Technological advancement	8	8	8	0	3	54	B
Financial parameters used	2	1	2	0	1	12	C
Value of share	0	0	0	0	0	0	C
Financial information of company	87	90	81	73	78	81.8	A
Information about dividend and bonus	6	6	5	2	6	25	C
EVA (Economic Value Added) Information	6	3	5	0	0	9.33	C
Category of EVA	2	1	2	0	1	4	C
Internal Audit department	10	10	10	10	10	100	A
Total (B)	201	187	188	157	167		
Expected score (A)	330	330	330	330	330		
B/A (%)	59.1%	55%	52.3%	46.1%	49.1%		

Further researcher would like to know the level of significant difference of corporate governance index regarding board and management structure. For this purpose researcher has used ANOVA test.

Hypothesis testing

Ho (null hypothesis) There would be no significant difference in corporate governance score index of various groups of companies

Table 5.3.2
ANOVA table of hypothesis testing

Sources of Variance	SS	d.f.	MS	F ratio	5% F limit (Table Value)
Between the sample	79	5-1=4	79/4=19.75	.05	F(4,80)=3.48
With in the Sample	29262	80-5=75	29262/75=390.16		
Total	29341	80-1=79			

F value is 0.05 and table value at 5% level of significance is 3.48. The calculated value is lower than table value. Hence null hypothesis would be accepted for the study, which indicates the difference is not significant.

CHAPTER-6

DISCLOSURE OF CORPORATE GOVERNANCE WITH REFERENCE TO ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY

To survive in today's world, every corporate unit has to fulfill the responsibility to-wards society in which it is living. As society provides its resources to the business, it becomes responsibility of business to pay close attention to the social responsibility aspect.

Managers, using a dynamic engagement approach pay close attention to the values that guide people in their organizations. Managers must exercise moral courage by placing the value of excellence at the top of their agendas. In dynamic engagement, environment it is not enough for managers to do things the way they always have, or to be content with matching their competitors. Continually striving towards excellence has become an organizational theme of the 1990's. Because values, including excellence, are ethical concepts, and as well as social responsibility aspect.

Modern business is regarded as an integral component of society. It must have society's approval in order to function successfully. In today's world, society is expecting much more from business than in the past. Society demands quality of life . Integrated business plans and controls are expected to act as instruments of social change and these plans have to be implemented in order to promote maximum public good and welfare.

In addition to economic performance, modern business must demonstrate social awareness or sensitivity and social performance.

Dependence of business on its environment is so complete that the very existence and survival as any growth of any organization depend upon its acceptance by the society. If it outlives its utility to the society it has no place and reason to live.

With regards to the corporate governance, corporate social responsibility is one of the important disclosures that every business has to made in front of the stakeholder that it is fulfilling its social responsibility on efficient manner.

As per the norms of the corporate governance, about doing business of own, it's the responsibility of each corporate leader to focus on the social responsibility front. For this purpose researcher has collected the data by putting various parameters and tabulated data in this chapter. Researcher then , has evaluated each of the parameter with the help of comparative analysis of disclosure and corporate governance index. Corporate governance index evaluated scores index with the help of following formula,

$$\text{CG Index} = \frac{\text{Actual score of disclosure}}{\text{Expected score of disclosure.}} \times 100$$

The index is then evaluated as whether disclosure is efficiently disclosed, if the score index has percentage in between 100 to 75. The disclosure is moderately disclosed if the score index has percentage in between 74 to 50 and disclosure is least disclosed if the score index has percentage below 50.

Thus, researcher evaluates such parameters in the respective manner. The parameter of social responsibility covers, following aspects.

It Includes,

Social obligations fulfilled by the company towards stakeholders. The different dimensions are covered for this purpose like,

- ❑ Community development / Social welfare
- ❑ Promoting the interest of disadvantaged and impaired sections of society / Help to have nots
- ❑ In the interest of women development
- ❑ Sports promotion
- ❑ Employment generation
- ❑ Promotion of educational facilities

It Covers,

Activities undertaken by company for employees

This parameter is related with the employees of companies. Apart from providing wages and salary what other benefits are provided to the employees.

The dimensions included in this reference are as follows;

- ❑ Employee training
- ❑ Housing schemes for employees
- ❑ Evaluation on scholarship to employees' children
- ❑ Employees' Representation in management
- ❑ As it is also the responsibility of company to provide maximum satisfaction to the employees by discharging good amount of responsibility towards them.
- ❑ Next parameter is related with the environmental audit. This evaluates that whether firm has undertaken environment audit or not. As

company is the part of environment and it has to audit environment and disclose the disclosure in front of stakeholders.

Another important aspect of corporate social responsibility is conducting social audit for large-scale projects. Here disclosure is related with this aspect that whether social audit for the large-scale projects are being conducted by the firm or / not.

Next parameter is related with the aspect of pollution control. That means compliance of environmental bodies undertaken by the company. If company operates at the large scale, it is bound to generate some of the pollution in the environment. Which is harmful for the society. Thus, researcher has evaluated each sampled group companies under this preview and evaluated collected data in this reference. This is also mandatory that company should take care of the environment in which it operates.

Another important parameter included in social responsibility reference is women representation at top level. Whether company has any policy in their policy framework or not. Researcher has collected the information in this reference and tabulated the data respectively.

Lastly Researcher has included the parameter of price sensitive information to be made available to stock exchange on real time basis and what is the actual time taken in this aspect.

- ❑ Less than 15 minutes of the Board Meeting.
- ❑ 15-30 minutes of the Board Meeting.
- ❑ More than 30 minutes of Board Meetings
- ❑ One day or more after Board Meeting.

All the parameters are included and tabulated as well as disclosure score is also calculated by the researcher.

6.2 Data Analysis

Data collected by the researcher through analysing various annual reports are tabulated and evaluated by the researcher.

I Disclosure about various social responsibilities fulfilled by company

This parameter includes different aspects of social responsibilities to be fulfilled by sampled group companies Data are tabulated.

Analysisi of table no; 6.2.1.1

As the below table reveals the picture of overall top ten companies regarding the social responsibility aspect. There are different ways through which all the ten companies are handling and fulfilling the task of social responsibility. The disclosure score is 60 and expected score of disclosure is 60. Hence,

$$\begin{aligned}\text{Corporate governance index} &= \frac{60}{60} \times 100. \\ &= 100\%\end{aligned}$$

(I)

Table 6.2.1.1

Disclosure about discharging of the social responsibility of over all top ten companies.

Expected Score = 60

Company	Social welfare	Points	Help to have notes	Points	Women Develop ment	Points	Sports promotion	Points	Employment Generation	Points	Educational qualification	Points	Total Score
Reliance Ind.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Wipro Ltd.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Ranbaxy	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Dr. Reddy's Lab	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
ITC	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
ICICI Bank	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Bharti Ent.	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Infosys	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
HDFC	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
HLL	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Total	10		10		10		10		10		10		60

Thus Researcher has found that overall top ten companies are efficiently fulfilling social responsibility.

(II)**Table 6.2.1.2**

Disclosure about discharging of the social responsibility of IT companies

Expected Score = 60

Company	Social welfare	Points	Help to have notes	Points	Women Development	Points	Sports promotion	Points	Employment Generation	Points	Educational qualification	Points	Total Score
Infotech	✓	1	✓	1	NM	1	✓	1	✓	1	✓	1	5
Patni	✓	1	✓	1	✓	0		0	✓	1	✓	1	5
NIIT	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Mastake	✓	1	✓	1	✓	1	NM	0	✓	1	✓	1	5
Mrotek	NM	0	NM	0	NM	0	PM	0	NM	0	NM	0	0
Zensar	✓	1		0	✓	1	✓	1	✓	1	✓	1	5
Sonata	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	0
Javelin	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	0
Tata Infotech	✓	1	✓	1	NM	0	✓	1	✓	1	✓	1	5
HCL	✓	1	✓	1	NM	0	NM	0	✓	1	✓	1	4
Total	7		06		04		04		7		7		35

Above tabulated data reveals the picture of IT companies. The companies which are engaged in social responsibilities and effectively serving society. Seven companies are engaged in helping have notes, 4 companies to women development, 4 companies for sports promotion, 7 for employment generation and 7 companies in educational facility. 80 total score is 35 and expected score is 60.

$$\text{Corporate governance index} = \frac{35}{60} \times 100 = 58.34\%$$

(III)**Table 6.2.1.3**

Disclosure about discharging of the social responsibility of Pharma and health care companies

Expected Score = 60

Company	Social welfare	Score	Help to have notes	Score	Women Development	Score	Sports promotion	Score	Employment Generation	Score	Educational qualification	Score	Total Score
Novartis	✓	1	✓	1	NM	0	NM	0	✓	1	✓	1	4
Cipla	✓	1	✓	1	NM	0	NM	0	✓	1	✓	1	4
Bio Con	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Cadila	✓	1	✓	1	NM	0	✓	1	✓	1	✓	1	5
Merck	✓	1	✓	1	NM	0	✓	1	✓	1	✓	1	5
Pharmacia	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Glaxo Smith Kline	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Lupin	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Pfizer	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Aventis	✓	1	NM	0	NM	0	NM	0	✓	1	NM	0	2
Total	10	10		9		5		7		10	9	9	50

Above mentioned table reflects the data of the pharma and health care companies in reference to the social responsibility aspect. The group has disclosure score of 50. Thus,

$$\text{Corporate governance index} = \frac{50}{60} \times 100 = 83.34\%$$

(IV)**Table 6.2.1.4**

Disclosure about discharging of the social responsibility of Banking and financial service sector companies

Expected Score = 60

Company	Social welfare	Points	Help to have notes	Points	Women Development	Points	Sports promotion	Points	Employment Generation	Points	Educational qualification	Points	Total Score
Corporation Bank	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
UCO Bank	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Karur Vysya Bank	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Kotak Mahindra Bank	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Bank of Maharashtra	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Allahbadd Bank	✓	1	NM	1	NM	0	✓	1	✓	1	✓	1	3
The Karnatak Bank	✓	1	✓	1	NM	0	NM	0	NM	0	✓	1	3
Reliance Capital	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Global trust Bank	✓	1	NM	1	NM	0	NM	0	NM	0	NM	0	1
Bank of Punjab	NM	0	NM	1	NM	0	NM	0	NM	0	NM	0	0
Total	9	9	7	7	6	6	7	7	7	77	7	7	43

42

Corporate Governance Index = $\frac{42}{60} \times 100 = 71.5\%$

60

As the data mentioned in above table reveals the information of banking and financial institutions, and data shows that out of 10 companies & companies are engaged in social welfare, 7 companies are engaged in help to have-nots, 6 companies for women development, 7 companies are doing sports promotion and 7 companies for employment generation and educational facilities.

(V)

Table 6.2.1.5

Disclosure about discharging of the social responsibility of FMCG companies

Expected Score = 60

Company	Social welfare	Points	Help to have notes	Points	Women Development	Points	Sports promotion	Points	Employment Generation	Points	Educational qualification	Points	Total
Navneet Pub.	✓	1	NM	0	✓	1	NM	0	✓	1	NM	0	3
Titan	✓	1	NM	0	✓	1	NM	0	✓	1	NM	0	3
Nirma	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Nestle	✓	1	NM	0	NM	0	NM	0	✓	1	NM	0	2
Brittania Ind.	✓	1	NM	0	✓	1	NM	0	NM	0	NM	0	2
Asian Paints	✓	1	NM	0	NM	0	✓	1	NM	0	NM	0	2
Dabur	✓	1	NM	0	✓	1	✓	1	✓	1	NM	0	4
Bata	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	0
RayBan	NM	0	NM	0	NM	0	NM	0	NM	0	NM	0	0
Colgate	✓	1	✓	1	✓	1	✓	1	✓	1	✓	1	6
Total		8		2		6		4		6		2	28

As the data mentioned in above table reveals that FMCG firms have disclosed the researcher evaluates

the disclosure of social responsibility fulfilled by the company.

The score of FMCG group disclosure is 28 points and

$$\text{Corporate index} = \frac{28}{60} \times 100 = 46.67\%.$$

Researcher has made an attempt to evaluate disclosure efficiency among sampled group by comparative analysis.

(VI)

Table 6.2.1.6

Comparative Analysis of disclosure

Groups	Expected score	Actual score
Overall top ten	60	60
IT	60	35
Pharma and Healthcare	60	49
Banking & financial service	60	43
FMCG	60	28
Total	300	215

$$\text{Corporate government Index} = \frac{215}{300} \times 100$$

$$= 71.67\%$$

By comparative analysis researcher has found that disclosure is moderately disclosed.

II Disclosure about facilities provided to employees

This disclosure is important disclosure and collected data are tabulated as under.

(I)

Table 6.2.2.1

Disclosure about the facilities provided to the employees of the over all top ten companies

Expected Score = 40

Company	Employee Training	Points	Housing Facility	Points	Scholar ship	Points	Participation	Points	Total Score of unit
Reliance Ind.	✓	1	✓	1	✓	1	✓	1	4
Wipro Ltd.	✓	1	✓	1	✓	1	✓	1	4
Infosys	✓	1	✓	1	✓	1	✓	1	4
ITC	✓	1	✓	1	✓	1	✓	1	4
HDFC	✓	1	✓	1	✓	1	✓	1	4
ICICI Bank	✓	1	✓	1	✓	1	✓	1	4
Bharti Ent.	✓	1	✓	1	✓	1	✓	1	4
Dr. Reddy's lab	✓	1	✓	1	✓	1	✓	1	4
Ranbaxy	✓	1	✓	1	✓	1	✓	1	4
HLL	✓	1	✓	1	✓	1	✓	1	4
Total	10	10	10	10	10	10	10	10	40

Above data reveals the information of overall top ten companies. Data shows that all the companies have provided all the facilities to the employees. Hence score is 40 and expected score is 40. Thus, corporate governance index is 100%.

(II) **Table 6.2.2.2**

Disclosure about the facilities provided to the employees of IT companies

Expected Score = 40

Company	Employee Training	Points	Housing Facility	Points	Scholarship	Points	Participation	Points	Total Score of unit
Info tech	✓	1	✓	1	✓	1	NM	0	3
Patni	✓	1	✓	1	✓	1	✓	1	4
NIIT	✓	1	✓	1	✓	1	✓	1	4
Mastek	✓	1	✓	1	✓	1	NM	0	3
Zensar	✓	1	✓	1	✓	1	NM	0	3
HCL	✓	1	✓	1	✓	1	NM	0	3
Sonata	✓	1	✓	1	✓	1	NM	0	3
Mortek	✓	1	✓	1	✓	1	NM	0	3
Javelin	✓	1	✓	1	✓	1	✓	1	4
Tata Infotech	✓	1	✓	1	✓	1	✓	1	4
Total	10	10	10	10	10	10	4	4	34

As the data mentioned in above table reveals the information of it companies. Which reflects that out of 10 companies all the companies are providing facilities of training, Housing are providing facilities of training, housing facilities and scholarship to the employees, and only 4 companies have disclosed the information of participation in management by employees. Thus,

$$\begin{aligned}
 \text{Corporate governance Index} &= \frac{34}{40} \times 100 \\
 &= 85\%
 \end{aligned}$$

(III)**Table 6.2.2.3**

Disclosure about the facilities provided to the employees of the Pharma and health care companies. Expected Score = 40

Company	Employee Training	Points	Housing Facility	Points	Scholarship	Points	Participation	Points	Total Score of unit
Novarties	✓	1	✓	1	✓	1	✓	1	4
Cipla	✓	1	✓	1	✓	1	✓	1	4
Bio Con	✓	1	✓	1	✓	1	✓	1	4
Cadila	✓	1	✓	1	✓	1	✓	1	4
Merck	✓	1	✓	1	✓	1	✓	1	4
Pharmacia	✓	1	✓	1	✓	1	✓	1	4
Glaxo Smith Kline	✓	1	✓	1	✓	1	✓	1	4
Lupin	✓	1	✓	1	✓	1	✓	1	4
Pfizer	✓	1	✓	1	✓	1	✓	1	4
Aventis	✓	1	✓	1	✓	1	✓	1	4
Total	10	10	10	10	10	10	10	10	40

Above tabulated data of pharma and healthcare companies reveals that all ten sampled companies like Novartis, Cipla, Cadila, Biocon, Pharmacia, Merck, Glaxo Smith Kline, Lupin, Pfizer and Aventis have disclosed complete data in their Annual Report about facilities provided to employees.

Thus, corporate government index is 100%.

(IV)

Table 6.2.2.4

Disclosure about the facilities provided to the employees of banking and financial service sector companies. Expected Score = 40

Company	Employee Training	Points	Housing Facility	Points	Scholarship	Points	Participation	Points	Total Score of unit
Corporation Bank	✓	1	✓	1	NM	0	✓	1	4
UCO Bank	✓	1	✓	1	✓	1	✓	1	4
Karur Vysya Bank	✓	1	✓	1	✓	1	✓	1	4
Kotak Mahindra Bank	✓	1	✓	1	✓	1	✓	1	4
Bank of Maharashtra	✓	1	NM	0	NM	0	NM	0	1
Allahbad Bank	✓	1	✓	1	✓	1	✓	1	4
The Karnatak Bank	✓	1	✓	1	✓	1	✓	1	4
Reliance Capital	✓	1	✓	1	✓	1	✓	1	4
Global Trust Bank	✓	1	NM	0	NM	0	NM	0	1
Bank of Punjab	NM	0	NM	0	✓	1	✓	1	2
Total	9	9	7	7	7	7	8	8	31

As the data mentioned in above table reveals that out of 10 companies & companies are providing employees training while one unit have hat disclosed the disclosure while 7 units have disclosed the disclosure of housing facilities and scholarship and 8 companies have disclosed the data of participation of employees in management other companies have not disclosed the information,

$$\begin{aligned}
 \text{Thus, corporate governance index} &= \frac{31}{40} \times 100 \\
 &= 77.50\%
 \end{aligned}$$

(V)

Table 6.2.2.5

Disclosure about the facilities provided to the employees of all FMCG companies. Expected Score = 40

Company	Employee Training	Points	Housing Facility	Points	Scholar-ship	Points	Participation	Points	Total Score of unit
Navneet	✓	1	✓	1	✓	1	NM	0	3
Titan	✓	1	✓	1	NM	0	✓	1	3
Nirma	✓	1	✓	1	NM	0	✓	1	3
Brittania Ind.	✓	1	✓	1	NM	0	NM	0	2
Asian Paints	✓	1	✓	1	NM	0	✓	0	3
Dabur	✓	1	✓	1	NM	0	NM	1	2
Nestle	✓	1	✓	1	NM	0	✓	1	3
Bata	✓	1	✓	1	NM	0	NM	0	2
RayBan	✓	1	✓	1	NM	0	NM	0	2
Colgate	✓	1	NM	0	NM	0	✓	1	2
Total	10	10	9	9	1	1	5	5	25

As the data mentioned in above table reveals that out of 10 FMCG companies 10 companies have disclosed the disclosure of employees training, 9 companies have disclosed the disclosure of housing facilities, 1 company has disclosed the disclosure of scholarship and 5 companies have disclosed the disclosure of participation thus corporate governance disclosure is 25 points and index is $25/40 \times 100 = 62.5\%$.

(VI)

Table 6.2.2.6

Comparative analysis of disclosure

Group	Expected score of disclosure	Actual score
Overall top ten	40	40
IT	40	34
Pharma & Healthcare	40	40
Banking & financial service	40	31
FMCG	40	25
Total	200	170

$$\begin{aligned}\text{Corporate governance Index} &= \frac{170}{200} \times 100 \\ &= 85\%\end{aligned}$$

Researcher has done comparative analysis and concluded the disclosure efficiently disclosed by sampled group.

III Disclosure of audit of Environment

As per the corporate governance norms any company whether engaging in producing environment friendly products or not should undertake environment audit so that the responsibility of being a point of environment can be fulfilled. The researcher as under tabulates the data collected of various companies.

(I)

Table 6.2.3.1

Disclosure about audit of the environment of over all top ten companies

Expected Score = 10

Company	Yes	Points	No.	Total Points
Reliance Ind.	✓	1	–	1
Wipro Ltd.	✓	1	–	1
Infosys	✓	1	–	1
ITC	✓	1	–	1
HDFC	✓	1	–	1
ICICI Bank	✓	1	–	1
Bharti Ent.	✓	1	–	1
Dr. Reddy's lab	✓	1	–	1
Ranbaxy	✓	1	–	1
HLL	✓	1	–	1
Total	10	10	–	10

As the data mentioned in the above table reveals that out of overall top ten companies all the companies have disclosed the disclosure of environment audit. Thus, corporate governance disclosure score is 10 points and index is 100%.

(II)

Table 6.2.3.2

Disclosure about audit of the environment of IT companies

Expected Score = 10

Company	Yes	Score	No.
InfoTech	✓	1	1
Patni	✓	1	1
NIIT	✓	1	1
Mastek	✓	1	1
Mrotek	✓	1	1
Zensar	✓	1	1
Sonata	✓	1	1
Javelin	✓	1	1
Tata InfoTech	✓	1	1
HCL	✓	1	1
Total	10	10	10

As the data mentioned in the above table reveals that out of sampled 10 IT companies every company has disclosed the disclosure of environment audit thus the disclosure score is 10 thus the disclosure score is 10 and disclosure index is 100%.

(III)**Table 6.2.3.3**

Disclosure about audit of the environment of Pharma and health care companies

Expected Score = 10

Company	Yes	Points	No	Total Score
Novartis	✓	1	–	1
Cipla	✓	1	–	1
Cadila	✓	1	–	1
Merck	✓	1	–	1
Pharmacia	✓	1	–	1
Biocon	✓	1	–	1
Glaxo Smith Kline	✓	1	–	1
Lupin	✓	1	–	1
Pfizer	✓	1	–	1
Aventis	✓	1	–	1
Total	10	10	–	10

As the data mentioned in the above table reveals the information of pharma and health care companies. Out of 10 companies all the companies have disclosed the information of environment audit. Thus score of disclosure is 10 points and corporate governance index is 100%.

(IV)

Table 6.2.3.4

Disclosure about audit of the environment of Banking and financial service companies

Expected Score = 10

Company	Yes	Points	No	Total Score
Corporation Bank	✓	1	–	1
Uco Bank	✓	1	–	1
Karur Vysya Bank	✓	1	–	1
Kotak Mahindra Bank	✓	1	–	1
Allahbad Bank	✓	1	–	1
Bank of Maharastra	✓	1	–	1
Karnataka Bank	✓	1	–	1
Reliance Capital	✓	1	–	1
Global Trust Bank	✓	1	–	1
Bank of Punjab	✓	1	–	1
Total	10	10	–	10

Above tabulated data of banking and financial service sector companies have disclosed the disclosure of environment audit. Thus the score index is 10 and corporate governance disclosure index is 100%.

(V)

Table 6.2.3.5

Disclosure about audit of the environment of FMCG companies

Expected Score = 10

Company	Yes	Points	No	Total Score
Navneet	✓	1	–	1
Titan	✓	1	–	1
Nirma	✓	1	–	1
Nestle	✓	1	–	1
Britannia	✓	1	–	1
Asian Paints	✓	1	–	1
Dabur	✓	1	–	1
Bata	✓	1	–	1
Rayban	✓	1	–	1
Colgate	✓	1	–	1
Total	10	10	–	10

As the data mentioned in above table reveals that out of ten FMCG companies, all the companies like Navneet, Titan, Dabur, Nirma, Nestle, Britannia, Asian paints, Bata, Rayban and Colgate have disclosed the disclosure of environment audit.

Thus corporate governance index is 100%.

(VI)

Table 6.2.3.6

Comparative Analysis of disclosure center

Groups	Expected score Of disclosure	Actual score
Overall top ten	10	10
IT	10	10
Pharma and Health	10	10
care	10	10
Banking & Rs.	10	10
FMCG		
Total	50	50

$$\text{Corporate governance Index} = \frac{50}{50} \times 100$$

Researcher has found that disclosure is efficiently disclosed, as the score is 100%.

IV Disclosure of Social Audit of Large Scale projects

The disclosure of social audit is related with the aspect that large-scale project adopted by the company should also contribute for the development of society that is why every company should conduct of large social audit for large-scale projects.

Data of sampled group are tabulated as under.

(I)

Table 6.2.4.1

Disclosure about the social audit for large-scale project of over all top ten companies

Expected Score = 10

Company	Yes	Points	No.	Total of unit
Reliance	✓	1	–	1
Wiper	✓	1	–	1
Infosys	✓	1	–	1
Bharti Enterprise	✓	1	–	1
HDFC	✓	1	–	1
Dr Reddy	✓	1	–	1
Ranbaxy	✓	1	–	1
ITC	✓	1	–	1
ICICI	✓	1	–	1
HLL	✓	1	–	1
Total	10	10	–	10

As the data mentioned in above table of overall top ten companies reveals that all the companies have disclosed the disclosure of social audit for large-scale project and the disclosure score is 10. Thus,

$$\begin{aligned}\text{Corporate governance index} &= \frac{10}{10} \times 100 \\ &= 100\%.\end{aligned}$$

(II)

Table 6.2.4.2

Disclosure about the social audit for large-scale project of IT companies

Expected Score = 10

Company	Yes	Score	No	Total of unit
InfoTech	✓	1	-	1
Patni	✓	1	-	1
NIIT	✓	1	-	1
Mastek	✓	1	-	1
Mrotek	✓	1	-	1
Zensar	✓	1	-	1
Sonata	✓	1	-	1
Javelin	✓	1	-	1
Tata InfoTech.	✓	1	-	1
HCL	✓	1	-	1
Total	10	10	-	10

As the data mentioned in above table reveals that out of 10 it companies, all the companies have disclosed the disclosure of social audit for large-scale projects. Thus the score is of 10 points and

$$\begin{aligned}\text{Corporate governance index} &= \frac{10}{10} \times 100 \\ &= 100\%\end{aligned}$$

(III)

Table 6.4.3

Disclosure about the social audit for large-scale project of Pharma and health care accompanies.

Expected Score = 10

Company	Yes	Score	No	Total Score
Novarties	✓	1	–	1
Cipla	✓	1	–	1
Cadila	✓	1	–	1
Merck	✓	1	–	1
Pharmacia	✓	1	–	1
Biocon	✓	1	–	1
Glaxo Smith Kline	✓	1	–	1
Lupin	✓	1	–	1
Pfizer	✓	1	–	1
Aventis	✓	1	–	1
Total	10	10	–	10

Above tabulated data of Pharma and Health Care companies reveals that all the companies have disclosed the disclosure of social audit for large-scale projects. The companies like Novartis, Cipla, Cadila, Merck, Pharmacia, Biocon, Glaxo SmithKline, Lupin, Pfizer and Aventies have disclosed the information thus the disclosure score is 10 and index is 100%

$$\begin{aligned}\text{Corporate governance index} &= \frac{10}{10} \times 100 \\ &= 100\%\end{aligned}$$

(IV)

Table 6.2.4.4

Disclosure about the social audit for large-scale project of Banking and financial service sector companies. Expected Score = 10

Company	Yes	Points	No.	Total Score
Corporation Bank	✓	1	–	1
Uco Bank	✓	1	–	1
Karur Vysya Bank	✓	1	–	1
Kotak Mahindra Bank	✓	1	–	1
Allahbad Bank	✓	1	–	1
Bank of Maharastra	✓	1	–	1
Karnataka Bank	✓	1	–	1
Reliance Capital	✓	1	–	1
Global Trust Bank	✓	1	–	1
Bank of Punjab	✓	1	–	1
Total	10	10	–	10

Above tabulated data of Banking and financial service sector companies have disclosed the information of social audit for large-scale projects. Thus the disclosure points are 10 and disclosure index is 100%.

(V)

Table 6.2.4.5

Disclosure about the social audit for large-scale project of FMCG companies

Expected Score = 10

Company	Yes	Points	No.	Total Score
Navneet	✓	1	–	1
Titan	✓	1	–	1
Nirma	✓	1	–	1
Nestle	✓	1	–	1
Britannia	✓	1	–	1
Asian Paints	✓	1	–	1
Dabur	✓	1	–	1
Bata	✓	1	–	1
Rayban	✓	1	–	1
Colgate	✓	1	–	1
Total	10	10	–	10

CG Index = 100%

As the data mentioned in above table reveals that out of ten FMCG companies all the companies have disclosed the information of social audit for large-scale projects. The disclosure is complete and disclosure index is 100%.

Researcher has made an attempt to evaluate disclosure efficiency by comparative analysis of disclosure.

(VI)

Table 6.2.4.6

Comparative Analysis of disclosure

Groups	Expected score of disclosure	Actual score
Overall top ten	10	10
IT	10	10
Pharma and Health care	10	10
Banking & Financial services	10	10
FMCG	10	10
Total	50	50

$$\begin{aligned}\text{Corporate governance Index} &= \frac{50}{50} \times 100 \\ &= 100 \%\end{aligned}$$

The disclosure is efficiently disclosed.

V Disclosure about pollution control.

This disclosure is one of the disclosures, which is related with the social responsibility of company towards society. Researcher has collected the data from the published data of company's annual reports and tabulated as under.

(I)

Table 6.2.5.1

Disclosure about compliance towards pollution control of over all top ten companies.

Expected Score = 10

Company	Yes	Points	No	Total Score
Reliance	✓	1	—	1
Wipro	✓	1	—	1
Infosys	✓	1	—	1
Bharti Enterprise	✓	1	—	1
HDFC	✓	1	—	1
Dr Reddy's Lab	✓	1	—	1
Ranbaxy	✓	1	—	1
ITC	✓	1	—	1
ICICI	✓	1	—	1
HLL	✓	1	—	1
Total	10	10	—	10

As the data mentioned in above table shows that the companies belong to overall top ten group like Reliance, Wipro, Infosys, Bharti Enterprise, HDFC, Dr. Reddys Lab, Ranbaxy, ITC, ICICI and HLL have disclosed the disclosure of compliance towards pollution control. Thus,

$$\text{Corporate governance Index} = \frac{10}{10} \times 100$$

$$= 100 \%$$

(II)

Table 6.2.5.2

Disclosure about compliance towards pollution control of IT companies

Expected Score = 10

Company	Yes	Score	No	Total of unit
InfoTech	✓	1	–	1
Patni	✓	1	–	1
NIIT	✓	1	–	1
Mastek	✓	1	–	1
Mrotek	✓	1	–	1
Zensar	✓	1	–	1
Sonata	✓	1	–	1
Javelin	✓	1	–	1
Tata InfoTech.	✓	1	–	1
HCL	✓	1	–	1
Total	10	10	–	10

As the data mentioned in above table reveals that the companies of IT companies have disclosed the information pollution control. Thus the score of compliance towards disclosure of group is 10 points and corporate governance index is 100%.

(III)

Table 6.2.5.3

Disclosure about compliance towards pollution control of Pharma and health care companies

Expected Score = 10

Company	Yes	Score	No	Total of unit
Novarties	✓	1	–	1
Cipla	✓	1	–	1
Cadila	✓	1	–	1
Merck	✓	1	–	1
Pharmacia	✓	1	–	1
Biocon	✓	1	–	1
Glaxo Smith Kline	✓	1	–	1
Lupin	✓	1	–	1
Pfizer	✓	1	–	1
Aventis	✓	1	–	1
Total	10	10	–	10

Above tabulated data of pharma and health care companies unveils the information related to compliance towards pollution control. All the companies have disclosed all the information has disclosed all the information of with this reference and disclosure score is 10 points.

Thus the corporate governance index is 100%.

(IV)

Table 6.2.5.4

Disclosure about compliance towards pollution control of Banking and financial service sector companies

Expected Score = 10

Company	Yes	Points	No	Total of unit
Corporation Bank	NM	–	NM	0
Uco Bank	NM	–	NM	0
Karur VysyaBank	NM	–	NM	0
Kotak Mahindra Bank	NM	–	NM	0
Allahbad Bank	NM	–	NM	0
Bank of Maharastra	NM	–	NM	0
Karnataka Bank	NM	–	NM	0
Reliance Capital	NM	–	NM	0
Global Trust Bank	NM	–	NM	0
Bank of Punjab	NM	–	NM	0
Total	NM	–	NM	0

As the data mentioned in the above table reveals that the companies belong to banking and financial service sector units have not disclosed the information about compliance towards pollution control. Thus the disclosure is complete and,

Corporate governance index is zero.

(V)

Table 6.2.5.5

Disclosure about compliance towards pollution control of FMCG

Expected Score = 10

Company	Yes	Points	No	Total Score
Navneet	✓	1	–	1
Titan	✓	1	–	1
Nirma	✓	1	–	1
Nestle	✓	1	–	1
Britannia	✓	1	–	1
Asian Paints	✓	1	–	1
Dabur	✓	1	–	1
Bata	✓	1	–	1
Rayban	✓	1	–	1
Colgate	✓	1	–	1
Total	10	10	–	10

Above data mentioned of FMCG companies have disclosed the information related to pollution control. And disclosure index is 100%. Researcher has made an attempt to evaluate efficiency of disclosure by comparative analysis of disclosure or on the next page.

(VI)

Table 6.2.5.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score
Overall top ten	10	10
IT	10	10
Pharma and Health care	10	10
Banking & Financial Services	10	0
FMCG	10	10
Total	50	40

$$\begin{aligned}\text{Corporate governance Index} &= \frac{40}{50} \times 100 \\ &= 80 \%\end{aligned}$$

Disclosure is efficiently disclosed as the index reflects 85% that is good.

VI Disclosure about women's representation at top level.

This disclosure is important disclosure. It shows that how much importance is given to women working in the organization.

Researcher has collected the data in this manner and tabulated as under.

(I)

Table 6.2.6.1

Disclosure about the women's representation at top-level management of over all top ten companies

Expected Score = 10

Company	Yes	Points	No	Total Score
Reliance	✓	1	–	1
Wiper	✓	1	–	1
Infosys	✓	1	–	1
Bharti Enterprise	✓	1	–	1
HDFC	✓	1	–	1
Dr Reddy's Lab	NM	–	–	0
Ranbaxy	✓	1	–	1
ITC	✓	1	–	1
ICICI	✓	1	–	1
HLL	✓	1	–	1
Total	9	9	–	9

As the data mentioned in the above table reveals that out of overall top ten companies have disclosed the information and one company has not disclosed the disclosure.

Thus disclosure index is 90%.

(II)

Table 6.2.6.2

Disclosure about the women's representation at top-level management of IT companies

Expected Score = 10

Company	Yes	Score	No	Total Score
InfoTech	✓	1	–	1
Patni	✓	1	–	1
NIIT	✓	1	–	1
Mastek	✓	1	–	1
Mrotek	NM	0	NM	0
Zensar	✓	1	–	1
Sonata	✓	1	–	1
Javelin	NM	0	NM	0
Tata InfoTech.	✓	1	–	1
HCL	NM	0	NM	0
Total	7	7	–	7

Above-mentioned data of IT companies reveals that out of 10 companies 7 companies have disclosed the disclosure and 3 companies have not disclosure. Thus disclosure index is 70%.

(III)

Table 6.2.6.3

Disclosure about the women's representation at top-level management of Pharma and health care companies Expected Score = 10

Company	Yes	Score	No	Total of unit
Novarties	NM	0	NM	0
Cipla	NM	0	NM	0
Cadila	✓	1	-	1
Merck	✓	1	-	1
Pharmacia	✓	1	-	1
Biocon	✓	1	-	1
Glaxo Smith Kline	✓	1	-	1
Lupin	✓	1	-	1
Pfizer	✓	1	-	1
Aventis	NM	0	NM	0
Total	7	7	–	7

As the data mentioned in the above table reveals that out of 10 Pharma companies 7 companies have disclosed the information while 3 companies have not disclosed the information thus disclosure index is 70%.

(IV)

Table 6.2.6.4

Disclosure about the women's representation at top-level management of Banking and financial service sector companies

Expected Score = 10

Company	Yes	Points	No	Total of unit
Corporation Bank	✓	1	–	1
Uco Bank	NM	0	NM	0
Karur Vysya Bank	✓	1	–	1
Kotak Mahindra Bank	✓	1	–	1
Allahbad Bank	✓	1	–	1
Bank of Maharastra	NM	0	NM	0
Karnataka Bank	✓	1	–	1
Reliance Capital	✓	1	–	1
Global Trust Bank	NM	0	NM	0
Bank of Punjab	NM	0	NM	0
Total	-	6	-	6

Above tabulated data of Banking and financial services sector units have disclosed the information that out of 10 firms 6 firms have disclosed the information of women representation of top level and other four companies have not disclosure disclosed information 50 LG index is 60%.

(V)

Table 6.2.6.5

Disclosure about the women's representation at top-level management FMCG companies

Expected Score = 10

Company	Yes	Points	No	Total Score
Navneet	NM	0	-	0
Titan	NM	0	-	0
Nirma	NM	0	-	0
Nestle	✓	1	-	1
Britannia	NM	0	-	0
Asian Paints	✓	1	-	1
Dabur	✓	1	-	1
Bata	NM	0	-	0
Rayban	NM	0	-	0
Colgate	NM	0	-	0
Total	3	3	-	3

CG index = 30%

As the data motioned in above table reveals that the companies belong to FMCG group have disclosed the information out of 10 companies only 3 companies have disclosed the information while 7 companies have not mentioned the data.

(VI)

Table 6.2.6.6

Comparative analysis of disclosure

Groups	Expected score of disclosure	Actual score
Overall top ten	10	9
IT	10	7
Pharma and Health	10	7
care	10	6
Banking & Rs.	10	3
FMCG		
Total	50	32

$$\begin{aligned}\text{Corporate governance Index} &= \frac{32}{50} \times 100 \\ &= 64 \%\end{aligned}$$

Researcher has evaluated disclosure as moderately disclosed.

VII Disclosure about sensitivity of price

This disclosure is related with how for information are reached to company about the price sensitivity.

(I)

Table 6.2.7.1

Disclosure about the price sensitive index of overall top ten companies.

Expected Score = 40

Company	>Than 15 min.	15-30 min	<Than 30 min	One day	Total Score
Reliance	NM	NM	NM	NM	0
Wipro	NM	NM	NM	NM	0
Infosys	NM	NM	NM	NM	0
Bharti Enterprise	NM	NM	NM	NM	0
HDFC	NM	NM	NM	NM	0
Dr Reddy's Lab	NM	NM	NM	NM	0
Ranbaxy	NM	NM	NM	NM	0
ITC	NM	NM	NM	NM	0
ICICI	NM	NM	NM	NM	0
HLL	NM	NM	NM	NM	0
Total					0

Above table reveals that the disclosure is poorly disclosed and not a single company has disclosed the disclosure thus corporate governance index is zero.

(II)

Table 6.2.7.2

Disclosure about the price sensitive index of IT companies.

Expected Score = 40

Company	>Than 15 min.	15-30 min	<Than 30 min	One day	Total Score
InfoTech	NM	NM	NM	NM	0
Patni	NM	NM	NM	NM	0
NIIT	NM	NM	NM	NM	0
Mastek	NM	NM	NM	NM	0
Mrotek	NM	NM	NM	NM	0
Zensar	NM	NM	NM	NM	0
Sonata	NM	NM	NM	NM	0
Javelin	NM	NM	NM	NM	0
Tata InfoTech.	NM	NM	NM	NM	0
HCL	NM	NM	NM	NM	0
Total					0

The given data shows the poor disclosure no company has disclosed the information so the corporate governance index is zero.

(III)

Table 6.2.7.3

Disclosure about the price sensitive index of top Pharma and health care

Expected Score = 40

Company	>Than 15 min.	15-30 min	<Than 30 min	One day	Total Score
Novarties	NM	NM	NM	NM	0
Cipla	NM	NM	NM	NM	0
Cadila	NM	NM	NM	NM	0
Merck	NM	NM	NM	NM	0
Pharmacia	NM	NM	NM	NM	0
Biocon	NM	NM	NM	NM	0
Glaxo Smith Kline	NM	NM	NM	NM	0
Lupin	NM	NM	NM	NM	0
Pfizer	NM	NM	NM	NM	0
Aventis	NM	NM	NM	NM	0
Total	-	-	-	-	0

The above-tabulated matter clearly says that disclosure is very ineffective. Any company has not disclosed information so the index of corporate governance is zero.

(IV)

Table 6.2.7.4

Disclosure about the price sensitive index of top Banking and financial service sector companies

Expected Score = 40

Company	>Than 15 min.	15-30 min	<Than 30 min	One day	Total Score
Corporation Bank	NM	NM	NM	NM	0
Uco Bank	NM	NM	NM	NM	0
Karur Vysya Bank	NM	NM	NM	NM	0
Kotak Mahindra Bank	NM	NM	NM	NM	0
Allahbad Bank	NM	NM	NM	NM	0
Bank of Maharastra	NM	NM	NM	NM	0
Karnataka Bank	NM	NM	NM	NM	0
Reliance Capital	NM	NM	NM	NM	0
Global Trust Bank	NM	NM	NM	NM	0
Bank of Punjab	NM	NM	NM	NM	0
Total					0

Here the performance of banking sector is also poor, as no company has disclosed the given information. This leads to zero corporate governance index.

(V)

Table 6.2.7.5

Disclosure about the price sensitive index of top FMCG companies

Expected Score = 40

Company	>Than 15 min.	15-30 min	<Than 30 min	One day	Total Score
Navneet	NM	NM	NM	NM	0
Titan	NM	NM	NM	NM	0
Nirma	NM	NM	NM	NM	0
Nestle	NM	NM	NM	NM	0
Britannia	NM	NM	NM	NM	0
Asian Paints	NM	NM	NM	NM	0
Dabur	NM	NM	NM	NM	0
Bata	NM	NM	NM	NM	0
Rayban	NM	NM	NM	NM	0
Colgate	NM	NM	NM	NM	0
Total	-	-	-	-	0

Further, here FMCG group scores very poor as information has not been disclosed by single company. So it gives zero corporate governance index.

(VI)

Table 6.2.7.6

Comparative analysis of disclosure

Groups	Expected score Of disclosure	Actual score
Overall top ten	40	0
IT	40	0
Pharma and Health care	40	0
Banking & Finance	40	0
FMCG	40	0
Total	200	0

$$\begin{aligned}\text{Corporate governance Index} &= \frac{0}{200} \times 100 \\ &= \text{Zero}\end{aligned}$$

Researcher has evaluated that the disclosure is poorly disclosed & zero corporate governance score reflects it.

Category 'B' indicates moderately efficient company that means disclosure score index is between 75% to 100% and moderately disclosed score for practices of board and management structure transparency and disclosure stakeholders claim satisfaction and financial information as well as corporate social responsibility.

Analysis of parameter wise disclosure

Corporate social responsibility is important disclosure for the today's units. As firms management is not only concentrating on profit making but also on delivering corporate social responsibility towards general public. For this purpose researcher has collected and included total seven parameters in this chapter like social obligation, employees welfare activities, environment audit, social audit, pollution control, women Representation at top level, and information about price sensitivity.

The five groups of companies and related score is given below.

Table 6.3.1

The Score points and respective index of the parameters of the CG disclosure in relation to the Corporate Social Responsibilities (CSR)

Parameters	Overall top ten	IT	Pharma and healthcare	Banking & financial services	FMCG	Score %	Rank
Social Obligation	60	35	50	43	28	72	B
Employees Welfare Activities	40	34	40	31	25	85	A
Environment Audit	10	10	10	10	10	100	A
Social Audit	10	10	10	10	10	100	A
Pollution Control	10	10	10	10	10	100	A
Women Representation at top level	9	7	7	6	3	64	A
Information about price sensitivity	0	0	0	0	0	0	C
Total (B)	139	106	127	110	86		
Expected score (A)	150	150	150	150	150		
B/A (%)	92.6%	70%	84.6%	73%	57%		

The parameters like employees welfare, environment audit, pollution control and social audit have been efficiently disclosed by the 5 groups of companies while the disclosure of price sensitivity has been least disclosed by the all 50 companies. While the information like social obligation has been moderately disclosed by the sampled group companies.

Further researcher would like to know the level of significant difference of corporate governance index regarding board and management structure. For this purpose researcher has used ANOVA test.

Hypothesis testing

Ho (null hypothesis) There would be no significant difference in corporate governance score index of various groups of companies

Table 6.3.2

ANOVA table of hypothesis testing

Sources of Variance	SS	d.f.	MS	F ratio	5% F limit (table Value)
Between the sample	238	5-1=4	238/4=59.5	0.69	F(4,80)=4.02
With in the Sample	2588	35-5=30	2588/30=86.2		
Total	2826	35-1=34			

F value is 0.69 and table value at 5% level of significance is 4.02. The calculated value is lower than table value. Hence null hypothesis would be accepted for the study, which indicates the difference is not significant.

CHAPTER-7

OVERALL EVALUATION

Corporate governance has succeeded in attracting a good deal of public interest because of its apparent importance for the economic health of corporations and society in general.

Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights & responsibilities among different participants in the corporation, such as, the board, managers, shareholders, and other stakeholders and spells out the rules and procedure for making decisions on corporate affairs. By doing this it also provides the structure through which the company's objectives are set and the means of attaining those objectives and monitoring performance.

Corporate governance, mainly or primarily concentrates on the well-being of shareholders. It shows that whether funds of shareholders are used in proper direction or not while observing such things it indirectly helps society that its resources are not being wasted. Thus broadly it helps society.

A company is in existence not because it is an entity to do business but it is there to do the best performance and for the development of shareholders' wealth. The firm should not forget that.

➤ **Analysis of overall performances**

Researcher has evaluated the performance regarding corporate governance by each parameter. Now, in this chapter researcher would like to evaluate the performance of companies. For this purpose considering the total performance researcher has classified the groups, which is as under.

Group	Percentage of Total Score	Category
A	75% to 100%	Highly efficient
B	50% to 75%	Moderately efficient
C	Less than 50%	Least efficient

Category A indicates highly efficient company, that means the highest score disclosed for CG practices of board and management structure, transparency and disclosure, stakeholders claim satisfaction and financial information as well as in corporate social responsibility.

Category B indicates moderately efficient company, that means the disclosure score index is between 50% to 74% disclosed for CG practices of board and management structure, transparency and disclosure, stakeholders claim satisfaction and financial information as well as in corporate social responsibility.

Category ‘C’ indicates least efficient company. That means disclosure score index in between 50% to zero that is less than 50%. That shows least disclosed score for practices of board and management structure, transparency and disclosure stakeholders claim satisfaction and financial information as well as corporate social responsibility.

Evaluation of A group companies

In A group total 13 companies are there with the score 75% or more that 75% of corporate governance disclosure. The list is as under

List of A companies

Company Expected	Score obtained				Index		
	1	2	3	4	Total Obtain	Expected Score	%
1. Reliance	31	50	18	14	113	149	76
2. Infosys	31	50	26	14	121	149	81
3. HDFC	27	51	20	14	112	149	75
4. Ranbaxy	29	50	21	14	114	149	77
5. ITC	29	51	20	14	114	149	77
6. Hindustan Lever Ltd	26	50	22	14	112	149	75
7. Patni	26	54	19	13	112	149	75
8. NIIT	28	53	20	14	115	149	77
9. Mastek	27	54	23	12	116	149	79
10. Glaxo smith Kline	24	52	24	14	114	149	77
11. Lupin	25	53	21	14	113	149	76
12. Karur vysya bank	27	53	19	13	112	149	75
13. Kotak Mahindra	28	53	18	13	112	149	75

1=Chapter 3

3=Chapter 5

2=Chapter 4

4=Chapter 6

As the above table indicates that there are 13 companies are covered in the list of A categories companies which has disclosure index in between 75%-100% and the companies which are efficiently disclosed companies. The best companies out of 50 companies can be consider as the Infosys company as its score index is 81% and after Infosys the Mastek Company stand second with 79% of score index. After Mastek the companies like Ranbaxy, ITC, NIIT & Glaxo Smith Kline has score index of 77%. Lupin follows these companies which 76%. Another five companies out of 13 best companies stands last in A category which 75% of score index which are HDFC, Hindustan Liver Ltd., Patni, Karur Vysya Bank and Kotak Mahindra Bank.

Researcher has developed f test for the testing of hypothesis.

Hypothesis testing of 'A' group companies

Null hypothesis

There would be no significant difference in CG disclosure of various companies in A group with different parameters.

Alternative Hypothesis

There would be significant difference in DG disclosure index of various companies in A group with different parameters.

Anova table

Sources of variation	SS	df	Ms	F. ratio	5% f. limit (or table value)
Between sample	10/84	(4-1) = 3	10184 / 3 = 3394.6	3394.6 —————	F (3.48) = 4.13
With in sample	882	(52-4) = 48	882 / 48 =18.37	18.37 = 184.79	

The above table shows the calculated value of f is 184.79 which is more than 4.13. Calculated value is much higher than table value so the null hypothesis stand regretted and Hence, alternative hypothesis remains. It means in A group company there were significant difference with in company and with in-group parameter.

Evaluation of B group companies

In B group total 37 companies are there with the score 75% to 50% or corporate governance disclosure the list is given.

List of B companies

Sr. No	Company	Score of 4 group				Total	Expected Score	%
		1	2	3	4			
1	Dr. Reddys lab	30	51	16	13	110	149	73
2	Mrotek	26	52	15	06	99	149	66
3	Sonata	25	53	20	07	105	149	70
4	Javelin	23	52	16	06	97	149	65
5	Tata infotech	26	53	18	13	110	149	74
6	HCL	26	52	18	11	107	149	72
7	Novartis	24	52	18	11	105	149	70
8	Cipla	25	52	16	11	104	149	70
9	Pharmacia	28	52	16	13	109	149	73
10	Biocon	25	52	15	14	106	149	71
11	Pfizer	24	53	19	14	110	149	73
12	Aventis	27	52	19	09	107	149	72
13	Corporation Bank	25	54	19	11	109	149	73
14	Uco Bank	26	54	16	12	108	149	72
15	Allahbad bank	27	54	15	13	109	149	73
16	Bank of Maharashtra	26	54	17	06	103	149	69
17	Karnataka Bank	24	54	17	10	105	149	70
18	Reliance Capital	26	53	16	13	108	149	72
19	Global Trust Bank	26	53	15	04	98	149	66
20	Bank of Punjab	24	53	17	04	98	149	66
21	Navneet	23	50	15	09	97	149	66
22	Titan	28	50	17	09	104	149	69
23	Nirma	26	53	14	12	105	149	70
24	Nestle	23	51	19	08	101	149	68
25	Brittania	24	51	19	08	102	149	68
26	Asian Paints	26	52	14	08	100	149	67
27	Dabur	25	52	18	11	106	149	71
28	Bata	29	51	18	05	103	149	69
29	Rayban	27	51	16	05	99	149	66
30	Colgate	26	52	18	09	105	149	70
31	Bharti enterprise	27	50	17	14	108	149	72
32	Wipro	27	50	20	14	111	149	74
33	ICICI	26	51	20	14	111	149	74
34	Infotech	25	53	17	12	107	149	72
35	Zensar	26	53	20	12	111	149	74
36	Cadila	22	53	22	13	110	149	73
37	Merck	26	52	19	14	111	149	74

1=Chapter 3

3=Chapter 5

2=Chapter 4

4=Chapter 6

As the above table reflects that total 37 Companies are included in 'B' category with Score index in between 50% to 75% . Out of 37 Companies the companies like Merck, Zensar, ICICI, Wipro & Tata Infotech has score index of 74%. After these five companies the companies like Dr. Reddy's Lab, Pharmacia, Pfizer, Corporation Bank, Alhabad Bank & Cadila have obtained the second position in 'B' category of companies with 73% of score index. HCL, UCO bank, Reliance Capital, Bharti Enterprise and ICICI has score index of 72%. After those companies like Biocon & Dabur has score index of 71%. The remaining companies have score index of 70% or less than 70%. While the list disclosed companies are Javelin technology, Navneet. Mrotek Bank of Maharashtra, Global Trust Bank, Titan and Bank of Punjab.

Hypothesis testing of 'B' group companies

Null hypothesis

There would be no significant difference in corporate governance score index of various companies in B group with different parameters.

Alternative Hypothesis

There would be significant difference in disclosure index of various companies in B group with different parameters.

Anova table for 'B' group

Source	SS	d.f.	MS	F ratio	F table
Between sample	37316	3	12672	2607	(3.144)
Within sample	700	144	4.86		3.78
Total	38016				

The above table shows the calculated value of f is 2607, which is more than 3.78. Calculated value is much higher than table value so the null hypothesis stands rejected and hence, alternative hypothesis remains. It means in B group companies there were significant difference with in company and with in group parameter.

CHAPTER – 8

SUMMARY AND FINDINGS AND CONCLUSION

‘Corporate Governance’ is the current buzzword in India as well as the world over. It is practicing at every stage of company affairs now a day. Good governance is the expectations of shareholders in every walk of life.

When a firm’s management is separate and distinct from the providers of the firm’s capital, managers have a responsibility to use assets efficiently in pursuit of the firm’s objective. Ensuring that they do so is important to a firm’s successful economic performance as well as to its ability to attract long-term, stable, low-cost investment capital. This is true whether the firm is publicly traded, privately held, family-controlled or state-owned. (It is only when the managers of a firm themselves own the entire firm – and are committed to relying solely on their own capital – that managers generally are free to apply corporate assets (as their own private property) inefficiently or for non-productive uses.) The fundamental concern of corporate governance is to ensure the means by which a firm’s managers are held accountable to capital providers for the use of assets.

The responsibilities and functions of the corporate board in both developed and developing nations are receiving greater attention as a result of the increasing recognition that a firm’s corporate governance affects both its economic performance and its ability to access patient, low-cost capital. After all, the board of directors – or, in two-tier systems, the supervisory board – is the corporate organ designed to hold managers accountable to capital providers for the use of firm assets. The past five years has witnessed a proliferation of corporate governance guidelines and codes of “best practice” designed to improve the ability of corporate

directors to hold managements accountable. This global movement to emphasize that boards have responsibilities separates and apart from management – and to describe the practices that best enable directors to carry out these responsibilities – is a manifestation of the importance now attributed to corporate governance generally and, more particularly, to the role of the board.

The **first chapter** deals with an overview. In the first chapter researcher has focused on corporate governance meaning, history and, corporate governance in Indian background, need for good governance, effect of bad governance and different limitations faced by developing countries in implementing governance at economy level. The aspects focused on how corporate governance practices are helpful for developing transparency and equality. Every corporate investor expects good management from the corporate leaders who run the business. This is the reality that shareholders are the real owners of the company as they invest in the company. But they cannot peep into the regular affairs of the company. The Board of directors is, thus in the position to manipulate their position and can undertake unfair trade practices. This situation has made many investors worried about their investment. Separation of ownership and management can cause many scandals and malpractices. Thus, to protect the investors from manipulation and improving safety government as well as regulatory bodies has announced many norms. Corporate governance is the practice, which demands transparency through implementing some of the mandatory norms. The norms like qualification of board of directors, audit committee, existence of investors grievance cell, etc. Researcher has gathered the information in this manner.

The second chapter deals with the research methodology the study is based on following objectives:

Objectives of the Study

- To understand the concept of Corporate governance
- To document the corporate governance practices in various groups of industry
- To examine the practice of the corporate governance for Board of Director
- To study the transparency and related disclosure
- To study shareholder's satisfaction and practice for their various claim
- To analyse the disclosure of financial information
- To document the level of corporate social responsibility.

Keeping in view objectives of the study the researcher identified following hypothesis.

Hypothesis

1. There is no significant difference in corporate governance disclosure index of Board of director's practices among samples units and sector.
2. There is no significant difference in corporate governance disclosure index of Transparency and disclosure among samples units and sector.
3. There is no significant difference in corporate governance disclosure index of stakeholders claim satisfaction among samples units and sector.

4. There is no significant difference in corporate governance disclosure index of financial information among samples units and sector.
5. There is no significant difference in corporate governance disclosure index of Social responsibility practices among samples units and sector.

Chapter Three deals with analysis of corporate governance disclosure in relation with board and management structure. For this purpose researcher has selected sample of 50 listed companies? The company's performance is examined through the published data in form of annual reports by the researcher.

The performance of the board and management has been evaluated among five sampled group companies like overall top ten companies, ten IT companies, ten Pharma companies, ten banking and financial service companies and ten FMCG companies. The researcher has included total 23 parameters and relative corporate governance index has been obtained through obtained score.

- The disclosure aspect likes total number of B.O.D. and total no. of independent director has been 100% disclosed by the sampled group companies.
- The disclosure about nature of relationship has been least disclosed by IT group companies as well as other sampled group companies as its score is 12.29% out of 100%.
- The disclosure which one efficiently disclosed and scored 100% out of 100% score are category of chairman category of chairman and independent director percentage of independent directors office of chairman and chief executive officer.

- The code related to directors' conduct has been efficiently disclosed and score 100%. The disclosures in relation to the board and management structure which are efficiently Disclosed are formal policy of succession planning prevention of internal trading, transaction, structural training programme chairman of the board committee meetings, internals of the board meetings and attendance of the board in the board meetings.
- The disclosure about director who is holding directorship in more than 15 companies has being least disclosed and scored only 6% among the sampled group. The same disclosure has scored 0% in overall top ten, banking and financial service units and FMCA companies.
- The disclosure about existence of board committee has been moderately disclosed, as the score is 52.6%.
- The attendance of directors in board committee meetings is also disclosed moderately as the score index reflects the score of 54%.
- The disclosure of attendance in board meetings which has been included as director wise attendance, number of the board meeting, and average member present in board meeting have been efficiently disclosed. These disclosure have similar score index of 98%.
- Agenda and information circulated before the board meting has been least disclosed by the sampled group companies, its score is only 10%.
- The disclosure of specification about the information circulated has also been least disclosed, as its score is 14.5%.
- The parameters like attendance of any director less than 50% in B.O.D. meetings and reappointed as well as disclosure of

compliance officer have been efficiently disclosed among the sampled group. The score is more than 90%.

Chapter Four deals with the analysis of the disclosure related to transparency and disclosure. Researcher has collected the data in this reference and has been evaluated with corporate governance index.

- The disclosure about shareholders information, which is mandatory disclosure, required by corporate governance norms are efficiently disclosed and scored 100%.
- Salary component of the directors has been efficiently disclosed, as its score is 75%.
- The disclosure which are included as the parameters in this chapter and which are efficiently / completely disclosed are resume of the directors for appointment, relative conflict, commission to the non executive directors record of the share holding pattern, loans and advances. The disclosure score index is 100%.
- 94% score index is obtained by the sampled group companies in the aspect of investment in subsidiaries. Researcher has found that this disclosure has been efficiently disclosed.
- Level of subsidiaries disclosure has been least disclosed as its obtained score index 10% and obtained score is 5 against expected score of 50.
- Disclosure about the borrowings has been moderately disclosed as its score is 32 against expected score 50 thus researcher has concluded that the disclosure has been disclosed 64% among sampled group.
- Employee stock option plan, following of the ICSI norms, case pending in ORT court, Major financial transaction any major joint

venture and sole licensee in the world through joint venture are highly disclosed parameters with 100% corporate governance index with expected score of 50 and actual score of 50 for each parameter.

- While the parameter of financial risk the sampled group units have least disclosed policy.

Chapter Five deals with corporate governance disclosure in relation to the Stakeholders Claim satisfaction and financial disclosure. In this chapter total 16 parameters are included and total 4 parameters have been highly disclosed among sampled group units. The parameters, which are efficiently disclosed, are existence of the investor's grievance cell, share application money pending, outstanding money written off and internal audit department. This disclosure has expected score of 50 each with actual score of 50.

- Complaints resolved by the sampled group units has been moderately disclosed with 74% score index with actual score of 111 with expected score of 150 score.
- Time taken in grievance solution has been least disclosed among sampled group units with 46% with actual score of 23 against expected score of 46.
- Two disclosures have been least disclosed with zero (0) score corporate index. These parameters are least AGM complaints and value of share.
- Auditors checking the accounts of the subsidiaries has been efficiently disclosed with 90% of score index with actual score of 45 score and expected score is 50.
- Unclaimed dividend disclosure has been moderately disclosed with 64% score index.

- Technological advancement score index has been least disclosed with 54%.
- Financial parameters used parameter has been least disclosed with 12% score index with 6 score point.
- The information of financial position has been efficiently disclosed with 81.8% score with 409 score point with expected score point of 500.
- The disclosure score index of inform about dividend & bonus is 25% with score point of 25 and expected score of 100.
- The parameters like EVA and category of EVA have been least disclosed and the score index is less than 10%.

Chapter Six deals with corporate governance disclosure in relation to the corporate social responsibility.

- The parameters, which are highly disclosed with complete disclosure, are audit of environment, social audit and pollution control. The expected score of each of these parameters is 50 and actual score is 50.
- The disclosure of social obligation has score points 216 and expected score of 300.
- Employee's welfare activities have been efficiently disclosed with 85% score index.
- The disclosure of women representation at top level has been moderately disclosed with 64% and the actual score of sampled group units is 32 and expected score of this disclosure is 50.
- The disclosure of price sensitivity has been least disclosed with zero score corporate governance index.

Chapter Seven deals with overall evaluation of companies, which are covered, in the sampled group. Researcher has evaluated 50 companies with corporate governance score index 149 is total expected points of corporate governance disclosure of individual unit and researcher has compared total expected disclosure with actual score index obtained by individual group and evaluated companies each company by corporate governance index further on the basis of obtained score companies are dividend into three categories like,

Category – A Efficiently disclosed (Score index 75% to 100%)
Disclosure Companies

Category – B Moderately disclosed (Score index 50% to 75%)
Disclosure Companies

Category – C Least disclosed (Score index less than disclosure companies.50%)

Researcher has found that out of total 50 sampled companies 13 companies are covered in A – category while 37 companies are covered in B – category companies and no a single has been covered in c – category.

Findings on the basis of Hypothesis testing

For this research the researcher had structured various hypothesis. The summary of these findings has been included here with this table

Summary of Hypothesis Testing

Relation Between	Accepted	Rejected	Remarks
H₁ Board Management structure with corporate governance	✓ Null hypothesis is accepted (based on ANOVA test)	-	No significant difference
H₂ Transparency and disclosure with corporate governance	✓ Null hypothesis is accepted (based on ANOVA test)	-	No significant difference
H₃ Stakeholders claim satisfaction and financial information with corporate governance	✓ Null hypothesis is accepted (based on ANOVA test)	-	No significant difference
H₄ Corporate social responsibility with corporate social responsibilities	✓ Null hypothesis is accepted (based on ANOVA test)	-	No significant different
H₅ Overall evaluation of A group companies	-	✓ Null hypothesis rejected	There is significant difference
H₆ Overall evaluation of B group companies	-	✓ Null hypothesis rejected	There is significant difference

- H₁** : For Board and management structure null hypothesis has been accepted it means there is no significant difference considering corporate governance disclosure score index among various group of companies.
- H₂** : For transparency and disclosure null hypothesis has been accepted it means there is no significant difference considering corporate governance disclosure score index among various group of companies.
- H₃** : For stakeholders claim satisfaction and financial information null hypothesis has been accepted it means there is no significant difference considering corporate governance disclosure score index among various group of companies.
- H₄** : For corporate social responsibility null hypothesis has been accepted it means there is no significant difference considering corporate governance disclosure score index among various group of companies.
- H₅** : For evaluation of A group of companies with disclosure index in between 75% to 100% ; null hypothesis stands rejected and alternative hypothesis accepted which means there is significant difference considering corporate governance disclosure among sampled group companies.
- H₆** : For evaluation of B group of companies with disclosure index in between 50% to 75% null hypothesis stands rejected and alternative hypothesis accepted which means there is significant difference considering corporate governance disclosure among sampled group companies.

Conclusion

This study is based on secondary data related to the published data of sampled group companies. The study is related with corporate governance disclosure disclosed by sampled group companies. Thus this study has scope of further investigation. As corporate governance has been evolved as recent practice among Indian companies, the study itself is an investigation for the new concept.

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APPENDIX – 1

(Source Chartered secretary ,July 2003)

THE INSTITUTE INVITES VIEWS / SUGGESTIONS FROM MEMBERS ON QUESTIONNAIRE FOR WAITING AND EVALUATING CORPORATE GOVERNMENTS PRACTICES

- 1) Name of the Company :**
- 2) Correspondence Address :**
 - (a) Corporate Office :
Address
Telephone Fax No.
E-mail
 - (b) Registered Office :
Address
Telephone Fax No.
E-mail
 - (c) Investor Service Centre :
Address
Telephone Fax No.
E-mail
 - (d) Company Secretary :
Address
Telephone Fax No.
E-mail
 - (e) Web site Address :
- 3) Year of incorporation**
- 4) Listing on Stock Exchange (Please tick the relevant)**
BSE NSE Foreign Stock Exchange
DSE CSE Regional Stock Exchange

- 5) **Stock Exchange Code**
- 6) **ISIN Number**
- 7) **Sector to which the company belongs (Please tick the relevant)**
PSU Private Joint MNC
- 8) **Industry to which the company belongs**
Banking Cement Engineering IT
Steel Pharmaceuticals Telecommunications
Petrochemicals Diversified Any Other, Please specify
- 9) **ISO Certification, if any**
- 10) **Has the company won any award for implementation of Corporate Governance? If so, please name the award**

BOARD AND MANAGEMENT STRUCTURE

Particulars of Board and Management during the Financial Year ended on 31.3.2002

SI. No	Name of Director	Designation	Age	Qualifications (Academic & Professional)	Years of Experience in related industry	Shareholding in the Company	
						Amount (Rs.)	Percent age of total paid up capital

11.1 Independence of Directors

Total No. Of Directors :-

Nature of Relationship of Directors	Number of Directors
1. Employed with the company in the last five years.	
2. Employed with the subsidiary (ies) of the company in the past five years	
3. Association with another company which has significant business relationship with the company in which has incumbent is a director.	
4. Acceptance of compensation either from the company or any of its subsidiaries other than compensation for the board.	
5. Membership of the immediate family of fin executive of the company.	
6. An employee of the company to which the director belongs, sits on the compensation committee of another company in which the director is employed as an executive.	
7. Consultancy/Advisory or personal service contract with the company, its executive officers or affiliates.	

11.2 Is the Chairman Executive ?

- ☐ Yes
- ☐ no

If chairman is Executive then please enter the following details

(a) Does 50% or more of the board consist of Independent directors?

- ☐ Yes
- ☐ No

If chairman is Non Executive then please enter the following details

(b) Does 1/3rd of board consist of Independent directors?

- ☐ Yes
- ☐ No

11.3 please indicate the proportion of Independent Directors to total number of Directors?

- ☐ Upto49%
- ☐ 50-59%
- ☐ 60-69%
- ☐ 70-79%
- ☐ 80-89%
- ☐ 90%and above

11.4 Please indicate the percentage of directors holding directorships in more than 15 other public companies?

- ☐ 100%
- ☐ 90-99%
- ☐ 80-89%
- ☐ 70-79%
- ☐ 60-69%
- ☐ 50-59%
- ☐ 40-49%
- ☐ 30-39%
- ☐ 20-29%
- ☐ 10-19%
- ☐ Less than 10%

11.5 Whether the Office Of Chairman and Chief Executive Officer is Held By different people?

- ☐ Yes
- ☐ No

- 11.6 Is there any Formal Written Code of Conduct For Directors ?
- ☐ Yes
 - ☐ No
- 11.7 Is there any Formal policy for succession planning at senior levels of management ?
- ☐ Yes
 - ☐ No
- 11.8 Is there any written code/policy to prevent insider trading in the company ?
- ☐ Yes
 - ☐ No
- 11.9 Is there any policy of conducting structured training programmes for directors ?
- ☐ Yes
 - ☐ No

BOARD COMMITTEES

Particulars of Board Committees

Name	Date	Major Decisions	Attendance (%)

- 12.1 Which of the following board committees exist in the company?
- ☐ Audit Committee
 - ☐ Remuneration Committee
 - ☐ Shareholders Committee
 - ☐ Nomination Committee
 - ☐ Any Committee other than specified above.

12.2 Whether chairman of all board committees is an independent non-executive director?

- ☐ Yes
- ☐ No

BOARD SYSTEMS & PROCEDURES

Particulars of Board Meetings

Date	Purpose	Attendance (%)

13.1 How many times did the board of directors meet during the last financial year?

- ☐ Less than
- ☐ Equal to 4
- ☐ 5-8
- ☐ 9 or more

13.2 Was the interval between any of the two-board meeting more than three months on any occasion?

- ☐ Yes
- ☐ No

13.3 Please indicate the average percentage of board members who have been present in the board meetings during the last financial year,

- ☐ 0-40% Attendance
- ☐ 41V 49%
- ☐ 50%-74%
- ☐ 75% or more

13.4 Please indicate the average percentage of board members who have been present in the board committee meetings during the last financial year,

- ☐ 0-40% Attendance
- ☐ 41V 49%
- ☐ 50%-74%
- ☐ 75% or more

13.5 Agenda and information about board meetings is normally circulated to the members of the board

- ☐ Over a fortnight in advance of the meeting
- ☐ A week before the meeting
- ☐ Less than one week before the meeting
- ☐ Just before start of meeting

13.6 Please specify if following was circulated to the board members at board meeting(s) (please tick the relevant)

- ☐ Only Agenda is circulated
- ☐ Agenaa along with prescribed information (as per listing agreement) is circulated
- ☐ Agenda along with prescribed information (as per listing agreement) & relevant information for the period.
- ☐ Agenda along with prescribed information (as per listing agreement) & relevant information and any information sought by the Director.

13.7 Please specify whether any director of the company was re-appointed even if he/she remained absent in fifty percent or more of the board meetings held during the last financial year?

- ☐ Yes
- ☐ No

13.8 Who is the compliance officer of the company?

- ☐ Company Secretary
- ☐ Any other official (Please specify designation and qualifications)

TRANSPARENCY AND DISCLOSURES

14.1 Which of the following disclosures (as per clause 49 of the listing agreement) were made to the shareholders in the annual report?
(Please tick the relevant)

- ☐ Date, time and venue of AGM
- ☐ Financial Calendar
- ☐ Dates of Book Closures
- ☐ Dividends payment date
- ☐ Listing on Stock Exchanges
- ☐ Stock Code
- ☐ Market Price Data for each Month of last financial year
- ☐ Performance in comparison to broad based indices
- ☐ Registrar and Transfer Agent—Address, Phone, Fax, e-mail
- ☐ Share transfer system / Dematerialization and liquidity
- ☐ Distribution of Shareholding
- ☐ Categories of Shareholding in the format specified in clause 35 of the listing agreement.
- ☐ Top ten shareholders of ten Company.
- ☐ Change in Equity Capital during the financial year

- ❑ Outstanding GDRS/ADR/Warrants
- ❑ Convertibles, conversion date and likely impact on Equity
- ❑ Plant location
- ❑ Address for correspondence
- ❑ General Body Meetings
- ❑ Details of last three AGMs—Date, time and place
- ❑ Special Resolutions put through postal Ballot in the last financial year and details of voting pattern
- ❑ Material and financial transactions by Management where they have personal interest that may have potential conflict with the interest of the company
- ❑ Non-compliance by company or penalties imposed or/and strictures passed on the company by the stock exchange/ SEBI/Statutory Authorities on any matter during the last three financial years.
- ❑ Industry Structure and Developments
- ❑ Opportunities and Threats
- ❑ Outlook
- ❑ Material Developments in Human Resources and industrial Relations front; inducing number of people employed
- ❑ Risks and Concerns
- ❑ Internal Control and their adequacies
- ❑ Discussion of Financial performance with respect to operational performance:
- ❑ Product disclosure about segment-wise information-financial as well as operating details.
- ❑ Details on developments like R&D, restructuring
- ❑ Reporting on conciliation of accounts with GAAP (if applicable) or other Indian accounting standards

- Means of communication adopted by the company and particularly whether the company maintains website to keep the shareholders informed of important financial and operational details

14.2 Which of the following elements of remuneration package of board members was disclosed in the annual report?

- All elements of Salary, Benefits, Bonus, Stock Option, Pension (i.e. variable and not performance linked)
- Details of fixed component and performance linked incentive along with performance criteria.
- Service contracts, notice period severance fees
- Stock option details e.g. whether issued at discount, period over which accrued and over which exercisable.

14.3 Were the following disclosures made as regards the directors proposed to be appointed/re-appointed?

- Brief Resume of the person
- Nature of expertise in specific functional area
- Names of companies in which he holds directorship and committees membership.

14.4 Did the company enter into any transaction of material nature with promoters, directors, relatives or subsidiaries that might have potential conflict of interest during the last financial year?

- Yes
- No

- 14.5 Does the company pay a commission to the non-executive directors over and above the sitting fees for the use of professional inputs from them ?
- ☐ Yes
 - ☐ No
- 14.6 Does the company maintain record of trading in company's shares by bod /senior management?
- ☐ Yes
 - ☐ No
- 14.7 In the last financial year, has the company made / given any investments loans or advances to any group companies (subsidiaries / affiliates)?
- ☐ Yes
 - ☐ No
- 14.8 In the last financial year, has the company received any investments, loans or advances from any group companies (subsidiaries / affiliates)?
- ☐ Yes
 - ☐ no
- 14.9 Does the company have an employee stock option plan?
- ☐ Yes
 - ☐ No
- 14.10 Does the company follows the secretarial standards issued by the ICSI?

- ☐ Yes
- ☐ No

14.11 Are there any cases in DRT's or courts or any proceedings under the new Securitisation Act?

- ☐ Yes
- ☐ No

14.12 Please specify if the company has any formal risk management policy in place relating to:

- (a) Business / Profits Risks
- (b) Financial Risks
- (c) Legal/Statutory Risks
- (d) Internal Process Risks

(please tick the relevant)

Sustainability Of The Company

14.13 In the last three years, has the company acquired/ (sold another company or is any transaction entered into by the company involving substantial payment made or substantial payment received towards goodwill, brand equity or intellectual property rights?

- ☐ Yes
- ☐ no

14.14 In the last financial year, is there any major foreign joint venture or collaboration agreement entered into by the company which has resulted in a major technology transfer from another country?

- ☐ Yes

- ☐ no

(If possible, please provide the details of the same)

14.15 In continuation of question (b) above, please specify if, as a result of collaboration, your company is the sole licensee in the world ?

- ☐ Yes
- ☐ no

Investment in Subsidiary Companies

14.16 What is the level of subsidiaries of the company?

- ☐ One Tier
- ☐ Two Tier
- ☐ Three Tier

14.17 What is the amount of loans and investments made in group companies vis-a-vis the funds borrowed by the company?

- ☐ Less than 10%
- ☐ 11%-30%
- ☐ 31%-50%
- ☐ More than 50%

(If possible, please give the figures in absolute terms also)

STAKEHOLDERS' CLAIMS SATISFACTION

Investor Relations

15.1 Does the company have an investor grievance cell?

- ☐ Yes
- ☐ No

15.2 Please indicate the percentage complaints of shareholders grievances/complaints resolved to the satisfaction of shareholders out of total received during last financial year

- ☐ Total Complaints pending in beginning of the year
- ☐ Total Complaints received during the year
- ☐ Total Complaints resolved during the year

15.3 Please specify the average time taken in resolving the shareholders grievances during last financial year (please tick the relevant).

- ☐ 21 days or more
- ☐ 11-20 days
- ☐ 7-10 days
- ☐ Less than 7 days

Resolution Moved By Shareholders

15.4 Please specify if any resolution is moved by minority shareholders holding more than 10% or 1000 shareholders, whichever is less, at the last AGM/EGM?

If yes, please inform

- ☐ Number of Shareholders involved
in moving the resolution
- ☐ Result of the resolution
- ☐ Approved
- ☐ Dropped

Funds Utilization

15.5 Is the share application money in other companies amounting to more than Rs 1 crore lying pending for allotment for more than 3 months?

- ☐ Yes
- ☐ No

15.6 Has the company written off/waived any amount which is (more than 5% of outstanding amount at the end of year) due to the company?

- ☐ Yes
- ☐ No

Auditors' Details

15.7 Are the company auditors conducting audit of accounts of subsidiary companies ?

- ☐ Yes
- ☐ No

15.8 Please specify the proportion of amount of unclaimed dividend to the amount of total dividend as on 31/03/2002

- ☐ Less than 5%
- ☐ 5%-10%
- ☐ More than 10%

Technological Advancements

15.9 What is the percentage (as %age of turnover) of expenditure incurred towards research and development in the last financial year?

- ☐ Less than 5%
- ☐ 5%-10%
- ☐ 11%-20%
- ☐ More than 20%

Shareholders' Value Enhancement

15.10 What is the financial parameters used by company to evaluate financial performance

- ☐ Economic Value Added
- ☐ Cash Value Added
- ☐ Any Other Method

15.11 If an investor has invested shares worth Rs. 100000/-on the date of investment mentioned below, please specify the value of shares after adjusting the benefits of bonus dividend rights and splitting (as on 31/03/2002) in the following format

Invested Amount	Date of Investment	Market Price (as on 30/03/2002)	Appreciation (in percentage)
100000	01/04/1992 (10 Years)		
100000	01/04/1997 (5 Years)		
100000	01/04/1999 (3 Years)		
100000	01/04/2001 (1 Year)		

15.12 Financial Information of the Company pertaining to the last last years.

Years	Paid Up Capital	Capital Employed	Networth	Gross Profit	Tax Paid	Net Profit	EPS	P/E	Book Value	Market Price of Shares
1										
2										
3										
4										
5										

15.13 Please mention the percentage of dividend, and bonus given by the company in the last seven years.

Year	% of Dividend	Ratio of Bonus
1 (Current Year)	<input type="text"/>	<input type="text"/>
2 (Previous Year)	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>
4 ...	<input type="text"/>	<input type="text"/>
5	<input type="text"/>	<input type="text"/>
6	<input type="text"/>	<input type="text"/>
7		

15.14 What is the EVA (Economic Value Added*) of the company in the past three years?

15.14.1 On the basis of EVA, which of the following categories does the company belong to?

- ☐ Non Existent/Declining Trend in EVA in the past three financial years
- ☐ Between 10-20% growth in EVA in the past three financial years
- ☐ Between 20%-30% growth in EVA in the past three financial years
- ☐ More than 30% growth in EVA in the past three financial years

(*) Economic Value Added measures the profitability of the company after taking into account the cost of all capital including equity. It is the post tax return on capital employed minus the cost of capital employed. The companies earning higher returns than cost of capital are considered to create value i.e.

EVA = Post Tax Return on Capital Employed — Cost of Capital Employed.

15.15 Does the company have an internal audit department?

- ☐ Yes
- ☐ No

CORPORATE SOCIAL RESPONSIBILITY

16.1 Please indicate which of the following have been undertaken by the company towards discharge of social obligation during the last year (please tick the relevant).

- ☐ Community development/Social Welfare
- ☐ Promoting the Interests of disadvantaged and impaired sections of society
- ☐ In the Interest of Women Development
- ☐ Sports Promotion
- ☐ Employment Generation
- ☐ Promotion of Educational facilities

16.2 Which of the following activities have been undertaken by the company during the last year?

- ☐ Employee Training/Training for board Members
- ☐ Housing schemes for employees/Financing of Employees Houses
- ☐ Education / Scholarship of Employee's Children
- ☐ Employee Representation in Management/Employee Grievance Redressal Machinery or Arrangement

16.3 Has the company conducted environment audit? a Yes a no

- ☐ Yes
- ☐ No

16.4 Does the company conduct social audit for large scale projects ?

- ☐ Yes
- ☐ No

- 16.5 If the company has to adhere to pollution control environmental laws, are all the environmental bodies undertaken by the company?
- ☐ Yes
 - ☐ No

Miscellaneous

- 16.6 Is there any written policy for adequate representation of women at the top level of the company?
- ☐ Yes
 - ☐ No
- (if yes, please provide us with a copy of the same)
- 16.7 When the information is provided in real time company i.e. Price sensitive information to be' available to stock exchanges on real time basis is the actual time taken?
- ☐ Less than 15 minutes of the board meeting
 - ☐ 15-30 minutes of the board meeting
 - ☐ More than 30 minutes of the board meeting
 - ☐ One day or more after the board meeting
- 16.8 Any other information relating to good corporate governance which the Company deems fit considered.

APPENDIX - 2

SCORE POINTS OF QUESTIONNAIRE

PART 3

BOARD AND MANAGEMENT STRUCTURE

1. BOARD OF DIRECTOR
2X10X5=100
2. NATURE OF RELATIONSHIP OF DIRECTOR
7X10X5 = 350
3. INFORMATION ABOUT NATURE OF CHAIRMANSHIP
1X10X5 =50
4. PROPORTION OF INDEPENDENT DIRECTOR AND
CATEGORY OF CHAIRMAN
2X10X5 = 100
5. PROPORTION OF INDEPENDENT DIRECTOR TO THE
TOTAL DIRECTOR.
1X10X5 = 50
6. DIRECTORS HOLDING DIRECTORSHIP IN MORE THAN 15
OTHER COMPANIES.
1X10X5 = 50
7. OFFICE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER
1X10X5 = 50

8. WRITTEN CODE OF CONDUCT
1X10X50
9. FORMAL POLICY FOR SUCCESSION PLANNING
1X10X5 = 50
10. INSIDER TRADING PREVENTION
1X10X5 = 50
11. STRUCTURED TRAINING PROGRAMMES
1X10X5 = 50

DISCLOSURE ABOUT BOARD COMMITTEE

1. PARTICULAR ABOUT BOARD COMMITTEE
6X10X5 = 300
2. NO. OF COMMITTEE
5X10X5 = 250
3. CHAIRMAN OF THE BOARD COMMITTEE
1X10X5 = 50

BOARD SYSTEM AND PROCEDURE

1. ATTENDANCE OF THE DIRECTOR IN THE BOARD
MEETING DATE AND % OF THE ATTENDANCE
1X10X5 = 50

2. NO. OF BOARD MEETING
1X10X5 = 50
3. INTERVAL IN BOARD MEETING
1X10X5 = 50
4. AVERAGE % OF THE BOARD MEMBER PRESENT IN THE
BOARD MEETING
1X10X5 = 50
5. ATTENDANCE OF THE B.O.D. IN THE BOARD
COMMIITTEE MEETING
1X10X5 = 50
6. AGENDA AND INFORMATION CIRCULATED AMONG THE
BOARD MEMBERS
1X10X5 = 50
7. CIRCULAION OF THE INFORMATION ALONG WITH
AGENDA
4X10X5 = 200
8. INFORMATION ABOUT ABSENT OF THE DIRECTOR AND
REAPPOINTED
1X10X5 = 50
9. INFORAMATION OF THE COMPLIANCE OFFICER
1X10X5 = 50

PART 4

1. RELATED DISCLOSURE
34X10X5 = 1700
2. SALARY COMPONENTS OF THE DIRECTOR
4X10X5 = 200
3. RESUME OF THE DIRECTOR
3X10X5 = 150
4. RELATIVE CONFLICTS
1X10X5 = 50
5. COMMISSION TO THE NON EXECUTIVE DIRECTOR ABOVE
SITTING FEES
1X10X5 = 50
6. RECORDS OF THE SHARE
1X10X5 = 50
7. LOAN AND ADVANCES
1X10X5 = 50
8. INVESTMENT IN SUBSIDIES
1X10X5 = 50
9. EMPLOYEE STOCK OPTION PLAN
1X10X5 = 50

10. FOLLOWANCE OF THE ICSI STANDARDS
1X10X5 = 50
11. ANY CASE PENDING IN DISTRICT COURIT
1X10X5 = 50
12. FINANCIAL RISK MANAGEMENT POLICY
4X10X5 = 200
13. ANY MAJOR FINANCILA TRANSACTION OF THE
COMPANY
1X10X5 = 50
14. MAJOR JOINT VENTUTRE
1X10X5 = 50
15. SOLE LICENSEE IN THE WORLD DUE TO
COLLABORATION
1X10X5 = 50
16. LEVEL OF THE SUBSIDIARIES
1X10X5 = 50
17. INFORMATION ABOUT FUNDS BORROWING AND
INVESTMENT
1X10X5 = 50

PART 5

1. GRIEVANCE CELL EXISTANCE
1X10X5 = 50
2. COMPLAINTS RESOLVED
3X10X5 = 150
3. AVERAGE TIME TAKEN IN RESOLVING COMPALINTS
1X10X5 = 50
4. LAST AGM COMPLINTS RESOLUTION
4X10X5 = 50
5. SHARE APPLICATION MONEY PENDING
1X10X5 = 50
6. OUTSTANDING EXPENCES WRITTENOF MORE THAN 5%
1X10X5 = 50
7. AUDITOR CHECKING ACCOUNT OF SUBSIDIES
1X10X5 = 50
8. UNCLAIMED DIVIDEND
1X10X5 = 50
9. TECHNOLOGICAL ADVANCE MENTRESEARCH
EXPENDITURE
1X10X5 = 50

10. FINANCIAL PARAMETER USED BY THE COMPANY TO
IMPROVE THE VALUE OF THE SHAREHOLDER

1X10X5 = 50

11. VALUE OF THE SHARE

1X10X5 = 50

12. FINANCIAL INFORMATION OF THE COMPANY

10X10X5 = 500

13. INFORMATION ABOUT DIVIDEND AN BONUS

2X10X5 = 50

14. EVA INFORMATION

3X10X5 = 150

15. CATEGORY OF THE EVA

1X10X5 = 50

16. INTERNAL AUDIT DEPARTMENT

1X10X5 = 50

PART 6

1. DISCLOSURE ABOUT THE SOCIAL OBLIGATION

6X10X5 = 300

2. ACTIVITY FOR EMPLOYEE BY THE COMPANY

4X10X5 = 200

3. ENVIRONMENT AUDIT
1X10X5 = 50
4. SOCIAL AUDIT
1X10X5 = 50
5. POLLUTION CONTROLL
1X10X5 = 50
6. WOMEN REPRESENTATION
1X10X5 = 50
7. INFORMATION ABOUT THE PRICE SENSITIVE INDEX
1X10X5 = 50

TOTAL 149 (Expected Score)